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### SAN FRANCISCO AIRPORT COMMISSION



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MINUTES

January 13, 1998 SPECIAL MEETING 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING 401 VAN NESS AVENUE CITY AND COUNTY OF SAN FRANCISCO WILLIE L. BROWN, JR., MAYOR

### **COMMISSIONERS**

HENRY E. BERMAN
President

ROLAND A. QUAN
Vice President

MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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ADJOURNMENT:

K.

L.



### Minutes of the Airport Commission Special Meeting January 13, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

#### B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Roland A.Quan, Vice President

Hon. Michael S. Strunsky

Hon. Larry Mazzola Hon. Linda S. Crayton

#### C. ADOPTION OF MINUTES:

The minutes of the regular meetings of December 2, 1997 and December 16, 1997 were adopted unanimously.

No. 98-0001

\* \* \*

#### D. DIRECTOR'S REPORTS:

### 1. <u>Master Plan Mitigation Program Annual Report for 1997</u>

Mr. John Costas, Deputy Director, Planning and Environmental Affairs, explained that this is the fourth annual Master Plan Mitigation Program report which highlights mitigation measures implemented in 1997 and provides a summary status of all mitigation measures as of December 31, 1997. The implementation of the Master Plan has required on-going environmental approvals from local, State and Federal resource agencies, each of which has required additional mitigation measures prior to their approval of the Master Plan projects.

The mitigation program has been consistent with the construction of the Master Plan projects.

The mitigation program consists primarily of three different kinds of mitigants: The noise insulation program, traffic and transportation measures, and financial resource measures. These are project specific measures during design and construction such as restrictions on pile driving during certain hours of the day, and natural resource measures such as preserving and compensating for natural resources such as the restoration and creation of wetlands.



The report provides a summary status of all mitigation measures and highlights of 1997. Some of the highlights are: Noise mitigation ... of the \$120 million commitment the Airport estimated to fund home insulation, \$72.6 million has been spent and 6,450 homes have been insulated. Last Wednesday So. San Francisco, Pacifica, San Bruno, Millbrae and Daly City gave presentations to the Roundtable on the success of the program.

Noise variance hearings were conducted at the Roundtable during the last year. Those hearings were completed and the petitions are with the State. We expect to hear from the State within the month. We are also on target with our goal of being the first major airport in California not to have a noise variance by the year 2000.

In terms of our traffic and transportation mitigation program, which includes our Share-A-Ride program, we have been very successful in achieving one of the highest uses of alternative transit use of any airport in the country. We are operating approximately 60% in alternative use.

We are now working with the City and County of San Mateo on a traffic mitigation program. Final approval is expected on this program which will consist of consideration of our extensive highway 101 modification project, our contribution to the BART project and the BART project itself.

The financial resource measures ... the basic perimeters are in place at Crissy Field, India Basin Park and Hunter's Point Shipyard for approximately 35 acres of wetland creation. We have included the first off-site wetland creation project in Palo Alto.

#### 2. Amendments to the MBE/WBE Ordinance

Mr. John Martin, Airport Director explained that the Board of Supervisors will soon be considering whether to extend the M/WBE ordinance. The Human Rights Commission has hired a consulting firm to update the disparity study, reflecting the last three years of City contracting. In conjunction with that review, Airport staff is proposing certain amendments to the M/WBE ordinance. These amendments include the addition of a San Francisco First Policy, which is consistent with a policy adopted by the Commission at its last meeting relative to truckers.

It would also clarify that the amount of brokering M/WBEs do would not be counted toward M/WBE goals. Further, it would allow City departments which have achieved M/WBE parity to implement race neutral local business programs. The Airport has achieved parity in many contracting areas.

Further, it would require that HRC implementing rules and regulations be approved by the City Attorney's Office to insure consistency between HRC rules and the actual ordinance language. It would allow for review by an independent committee of the HRC director's decisions to deny or revoke certification of M/W/LBE contractors. This is something that a number of M/WBE firms have requested in the past. It would allow the Mayor to delegate to contracting departments the authority to perform contract compliance duties.



These are the recommendations that staff is proposing for your approval to transmit to the HRC and the Board of Supervisors for consideration and inclusion in the new M/WBE ordinance.

Commissioner Quan felt that "San Francisco First" and "local business" should be clarified. At the last meeting he suggested that a local business must have at least 50% of its payroll based in San Francisco in order to qualify as local. That can be easily verified by checking the San Francisco payroll and gross receipts tax.

Commissioner Crayton asked if an analysis was done to determine any impact on what is currently being done.

Ms. Mara Rosales, Airport General Counsel responded that we do not have that information, although the City has considered this concept over the years. It wasn't that the Board of Supervisors did not like the idea, it just never went anywhere.

Commissioner Crayton said that she would like to have that kind of information

Commissioner Quan explained that the common complaint in the past has been that businesses outside of San Francisco can open an office in the City for six months and be qualified, even though they have no employees in San Francisco.

Mr. Martin said that this item does not require Commission action but the recommendations will be modified to reflect the recommended change.

### E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 and 4 were adopted unanimously.

3. <u>Award of Contract No. 5602A - SFIA Employee Parking Facility No. 3 at Plot 7 - S. J. Amoroso Construction Co., Inc.</u>

No. 98-0002

Resolution authorizing award of Contract 5602A to the lowest reliable, responsive and responsible bidder, S. J. Amoroso Construction Co., Inc., in the amount of \$14,730,000, contingent upon the Human Rights Commission's review and Airport staff's concurrence with Human Rights Commission's favorable opinion regarding S.J. Amoroso's compliance with MBE/WBE subcontractor participation requirements.



This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The program EIR prepared for the Master Plan adequately describes this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA)

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this contract is to construct an eight level concrete structure providing 1735 parking stalls and approximately 1000 sq. ft. of office space in the West Field area at Plot 7. It will serve employment centers in the vicinity, including Dobbs, U.S. Post Office and FOM.

Four bids were received on December 12, 1997. The low bid submitted by McCarthy Brothers was determined to be non-responsive due to the incomplete nature of the bid forms. The second low bid submitted by S.J. Amoroso Construction Co. was found to be responsive and responsible, and therefore, eligible for award.

Commissioner Berman asked if McCarthy was at the pre-bid conference and if they have ever bid on an Airport contract before.

Mr. Kardos responded that they did attend the pre-bid but does not know if they have ever bid on an Airport contract before.

Commissioner Berman thought that it was inconceivable that a contractor would have attended the pre bid conference and not have made these entries. There is a missing link.

Mr. Kardos explained that they entered the aggregate amount but did not enter the components. This is an error that the Commission cannot waive.

Commissioner Berman suggested that perhaps this information needs to be more carefully covered in the pre-bid.

Mr. Kardos responded that this problem arose in the past and since that time the project managers have made it a point to address this issue at each pre-bid meeting.

Commissioner Strunsky said that sometimes a contractor can know what has to be done but ends up delegating it to someone who is inexperienced. He believed that McCarthy was knowledgable enough to know that the blocks need to be filled in.

Mr. Kardos explained that McCarthy protested Amoroso's bid based on Amoroso's failure to list the license numbers and business tax information for all of their subcontractors. Since these irregularities are inconsequential and do not give the bidder unfair competitive advantage, staff found the protest to be without merit.

The MBE/WBE participation goals for this contract are 18%/3% respectively. The resolution approves the award contingent upon HRC approval of Amoroso's proposed 22.36%MBE and 0.88% WBE participation. In the interim the HRC accepted Amoroso's proposal and



approved its good faith effort. Airport staff agrees with this decision and recommends approval of the award to S.J. Amoroso Construction Co. in the amount of \$14,730,000.

### 4. Rental Credit to Hertz Corporation for Work Performed on Behalf of the Airport

No. 98-0003

Resolution authorizing a rental credit to Hertz Corporation for the design and construction of the bus pick-up and drop-off canopy at the new consolidated Rental Car Facility at a not-to-exceed cost of \$1,800,000.

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that the rental car facility is scheduled for completion in September of this year. The Light Rail System will not be completed until September 2001. For a three year period the rental car companies will use a common busing system to shuttle passengers to and from the terminal complex. The original design did not anticipate the necessity of the common busing system, therefore, staff is recommending additional improvements to this facility which will include a 30,000 sq. ft. canopy for the safety and comfort of passengers, as well as some ancillary improvements.

The improvements will cost about \$1.8 million which is well within the project budget.

Commissioner Strunsky asked why we weren't building this ourselves.

Mr. Rhoades explained that staff felt this was the best way to handle these improvements rather than negotiating a change order with the existing contractor.

Commissioner Strunsky asked if Hertz will remove the canopy in the future.

Mr. Rhoades responded that it can be removed but we should be able to find a use for it.

Commissioner Quan asked if this follows the M/WBE requirements and asked if, in the future, language could be included to that effect.

Mr. Martin explained that the Commission has a policy requiring tenants to adhere to the City's M/WBE requirements, particularly when there is a reimbursement by the Airport. Hertz has done well over the years in achieving a high level of participation.

Commissioner Mazzola thought that that policy also addressed the prevailing wage issue.

Commissioner Berman asked if Hertz benefitted financially in any way from this.

Mr. Martin responded that Hertz does not.

Commissioner Strunsky noted that we were authorizing approximately \$1.8 million.

Mr. Rhoades explained that the estimated budget is \$1.8 million. The actual construction cost is \$1.2 million, with about \$100,000 in other costs.



\* \* \*

### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 and 6 were adopted unanimously.

 Authorization to Prepare Plans and Budget for the Development of a Ground Transportation Center

No. 98-0004

Mr. Martin said that the Master Plan and Master Plan Mitigation Program calls for the development of a Ground Transportation Center. We plan to put this into place upon the opening of the new North and South International Parking Garages. Those facilities will add 3200 parking spaces to the area in the terminals.

With the Ground Transportation Center we will develop the first level of the existing parking garage as third level roadway. It will serve door-to-door vans, limousines and taxis and will also provide the staging area for these vehicles which handle approximately 25% of passenger traffic. It will significantly reduce congestion on the roadways and provide a more comfortable area for waiting passengers since they will be under a covered roof and not out in the elements.

This item authorizes staff to proceed in preparing a budget and a program for the Ground Transportation Center. Staff will return to the Commission for its approval of the budget.

Commissioner Strunsky suggested painting walkways on all levels of the garage in order to smooth a passengers movement through the garage.

Mr. Martin said that he will take a look at that. He said that there is a painted walkway on the first level of the garage that directs passengers between the elevator cores. With the Ground Transportation Center he expected the plans to show a painted walkway to turn into curb to provide a higher level of passenger safety. He said that staff will take a look at it and follow up with a report to the Commission.

Mr. Bob Planthold said that this item relates to why he came before the Commission some months ago. At that time he noticed with regard to a bus contract that an overwhelming majority of the buses and vans in operation at the Airport were not handicapped accessible. He asked why these contracts could not be looked at for retrofit. The City, itself, has done this for a passenger shuttle for Hall of Justice employees.

This structure will have to be accessible but it will be functionally irrelevant if the Airport does not take action to ensure that the door-to-door vans and other vehicles are wheelchair accessible. If you have an accessible central transportation center but you don't make any requirements for those vehicles you have a problem.

There is a great deal of dissatisfaction among the disabled because they pay a very high rate to get to the Airport. There is only one company that has two accessible vans and only one van



is in service at a time.

Commissioner Berman asked for a response from the Director.

Mr. Martin explained that the rental car common busing system and the retrofitted buses the Airport is purchasing are all designed for accessibility. We have recently purchased six new buses to serve the long term lot that meets all of the requirements.

In the Ground Transportation Center, which will be on the first level of the garage, we are converting elevators in the North Terminal so that they will go to the tunnel level. They will be installed before we close down the elevators going to the sixth level where the overhead walkway connects the garage to the terminal.

Mr. Planthold asked about a contract modification for any of the companies that have franchise rights to operate door-to-door vans to the Airport.

Mr. Martin said that it is something we should explore. We are doing RPFs for van service outside of San Francisco, but we should also take a look at this issue relative to San Francisco door-to-door van service.

Mr. Planthold said that this was very helpful and he will transmit this information back to all the groups that he lobbies with and relates to.

Mr. Martin said that Jackson Wong has added a Disability Access Coordinator as a full time member of his staff.

Mr. Planthold said that he knows Ron well.

### 6. <u>Hilton Hotel - Early Relinquishment of Access Right</u>

No. 98-0005

Resolution approving the reimbursement of \$295,625 to Hilton Hotels as consideration for early relinquishment of access right pursuant to Lease No. PUC 17910.

Mr. Rhoades explained that the Hilton Hotel lease expires on March 31of this year. In accordance with their lease, the Hilton has the right to access its property for 90 days after the termination of its lease to remove personal effects. If we allow the Hilton the full 90 days it will have an adverse impact on the construction of the elevated roadway system. We have asked the salvage contractor to give us an estimate of the value of the Hilton assets over a 90 day period. It came in between \$600,000 and \$800,000. We need to have the Hilton off the property within 28 days of the expiration of the lease.

We have negotiated a settlement with the Hilton of \$295,625 in order to have them off the property by April 28.

Commissioner Strunsky asked if this amount of money ends it.



Mr. Rhoades responded that as far as the salvage is concerned. The Hilton has filed a claim with regard to the construction program.

CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 7 through 20 were adopted unanimously.

#### 7. Retirement Resolution - Sheldon Fein

No. 98-0006

H

Commissioner Berman commented on the great service that Sheldon Fein has provided to the Airport and the general public. He wished Mr. Fein well and thanked him for his efforts.

Mr. Martin said that Mr. Fein had one of the more difficult tasks in dealing with the ground transportation industry. He has built our Landside Operations staff into one that is viewed as a model by other airports. We wish Sheldon well on his retirement and thank him for the great job that he did.

### 8. Retirement Resolution - Janice Gendreau

No. 98-0007

### 9. Retirement Resolution - Ben Valencia

No. 98-0008

### 10. <u>Award Contract 3907 - Professional Engineering Services- Paving Consultant - Nichols-Vallerga & Associates</u>

No. 98-0009

Resolution awarding Contract 3907, Professional Engineering Services - Paving Consultant, to Nichols-Vallerga & Associates, in the amount of \$300,000.

### 11. <u>Award Contract 3586R - Surface Movement Guidance and Control System (SMGCS), Phase 1 - Pavement Markings - Linear Options, Inc.</u>

No. 98-0010

Resolution awarding Contract 3586R, Surface Movement Guidance & Control System (SMGCS), Phase 1 - Pavement Markings, to the lowest responsive, responsible bidder, Linear Options, Inc., in the amount of \$295,250.



### 12. <u>Award Contract 3787A - Industrial Waste Treatment Plant Expansion - Phase 1 - Consoer Townsend Envirodyne Engineers, Inc.</u>

No. 98-0011 Resolution awarding Contract 3787A, Industrial Waste

Treatment Plant, to Consoer Townsend Envirodyne

Engineers, Inc., in the amount of \$266,200.

### 13. Award Contract1875R - International Terminal Lighted Sign - Northern Sign Systems, Inc.

No. 98-0012 Resolution awarding Contract 1875R, International

Terminal Lighted Sign, to Northern Sign Systems, Inc.,

in the amount of \$129,800.

Commissioner Strunsky noted that this took a long time in coming.

Mr. Kardos responded that we had to re-bid the project.

### 14. Modification No. 1 of Contract 3435R2 - Airport Medical Clinic Expansion

No. 98-0013 Resc

Resolution approving Modification No. 1 of Contract 3435R2, Airport Medical Clinic Expansion with Kin Wo Construction, Inc., authorizing contract close-out in the final Phase 1 at a cost not-to-exceed \$231,065.67, and a Declaration of Emergency and authorization for staff to obtain a replacement contractor for Phase 2 of the project as soon as possible.

### Authorization to Issue Request for Proposals - Air Passenger Ground Transportation Access Survey

No. 98-0014

Resolution authorizing Director to issue a request for proposals for a consultant to conduct an air passenger ground transportation access survey. The anticipated budget for this contract will not exceed \$100,000.

Mr. Planthold said that there are a fair number of people who use wheelchairs who have had very bad experiences with airlines. These problems ranged from having wheelchairs damaged to having it announced that the reason the flight was late was because of difficulty storing a wheelchair.

A standard statistical random sample of passengers may overlook this growing air passenger constituency of disabled who have hardware ... a walker, crutches, wheelchair or ventilator. He suggested that there be some additional component thought of to reach out to that constituent that would be missed in a normal survey. The disabled don't travel that often but



they have significant needs when they do.

Mr. Martin thought that Mr. Planthold's idea was excellent but wanted to go one step further and include the retail survey, food and beverage and every survey we conduct. This is a great way to learn how we can improve our services.

Commissioner Berman said that we need to go beyond the legal requirements and set an example by addressing our moral responsibility.

Mr. Planthold thanked the Commission.

### Bid Call - Contract 3949 - On-Call Pavement Overlay & Reconstruction FY 1997/98 and FY 1998/99

No. 98-0015 Resolution approving the scope, budget, and schedule for

Contract 3949, On-Call Pavement Overlay & Reconstruction FY 1997/98 and FY 1998/99, and authorizing the Director to call for bids when ready.

### 17. <u>Authorization to Issue a Request for Proposals for Graphic Design Services for the Annual Report and Airport Publications</u>

No. 98-0016

### 18. Termination of Lease and Settlement Agreement - Shine 'Em Up

No. 98-0017 Resolution approving a Termination of Lease and

Settlement Agreement regarding Lease No. 95-0047 and

Permit No. 3162 with Shine 'Em Up.

### 19. Rental Credit to Host International, Inc., for Work Completed on Behalf of the Airport

No. 98-0018 Resolution authorizing a rental credit to Host

International, Inc. for construction alterations at the Pasqua Coffee kiosk in the International Terminal in the

amount of \$9,891.

### 20. New Mission Statement for the San Francisco Airport Museums

No. 98-0019 Resolution adopting the mission statement of the San

Francisco Airport Museums that identifies the ongoing

and new responsibilities of the program.



#### I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There was no discussion by the Commission.

CORRESPONDENCE:

Commissioner Berman read a letter into the record (see attached).

K. CLOSED SESSION:

J.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation; and Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Shindler Elevator Company v City and County of San Francisco and Airport Commission; and Rosendin Electric Inc. v City and County of San Francisco and Airport Commission

The Airport Commission voted unanimously to go into closed session at 9:40 AM.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The Airport Commission reconvened its meeting at 9:50 AM and determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

L. ADJOURNMENT:

There being no furthered calendared business before the Commission the meeting adjourned at 9:51 AM.

Commission Secretary



### SAN FRANCISCO AIRPORT COMMISSION



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### MINUTES

February 3, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
(BOARD OF SUPERVISORS COMMITTEE MEETING ROOM)
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

### **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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# Minutes of the Airport Commission Meeting February 3, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, San Francisco, CA.

\* \* \*

#### B. ROLL CALL:

Present:

Hon. Henry E. Berman, President Hon. Roland A.Quan, Vice President Hon. Michael S. Strunsky Hon. Larry Mazzola Hon. Linda S. Crayton

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 13, 1998 were adopted unanimously.

No. 98-0021

\* \* \*

#### D. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

 1997 Recipient of the William R. O'Brien Award for Employee Excellence Michael Towle

No. 98-0022

Mr. John Martin, Airport Director explained that Mike Towle is the tenth recipient of the William R. O'Brien Award for Employee Excellence. He has been with the Airport for 25 years. Three years ago he was assigned as the chief Duty Manager for the construction program. His reponsibility in that regard is to insure that Airport operations continued unimpeded in the midst of the construction. He has set the standard for how the operating staff of the Airport interacts with the construction team. He has done an outstanding job in setting that standard so that the Airport continues to operate efficiently.



Mr. Towle is often called upon to be a referee between construction contractors and various groups at the Airport. Mike truly sets the standard for Airport employees. Mike's dedication and loyalty to the Airport are truly appreciated.

Mr. Martin acknowledged Carol Towle in the audience and congratulated Mike on receiving this award.

Commissioner Berman congratulated Mr. Towle for the award and thanked him for his dedicated service to the Airport.

\* \* \*

## E. DIRECTOR'S REPORTS:

## 2. Master Plan Quarterly Update

Report on the status of the Master Plan Projects as of December 15, 1997 in accordance with the Baseline Budget and Schedule.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction expressed his personal appreciation to Mike as a key member of the team.

Mr. Kardos explained that by the fourth quarter of 1997 the Airport awarded \$1.664 billion, or 73% of the program budget excluding contingency and management reserve. In terms of construction only, a total of \$1.292 billion, or 68% of the budget has been awarded through the reporting period. Construction contract awards during the last quarter totaled \$27.9 million, \$1.3 million less than the corresponding budgets. Total contract awards during this quarter amounted to \$77.5 million including contract modifications in both construction and professional services.

Over the next six months we anticipate awarding approximately \$360 million in construction contracts bringing the awarded total to 86% of the program budget, or 88% of the construction budget.

Invoices approved since the last report totaled \$145 million, bringing the total invoiced amount to \$793 million, or 31% of the total current budget.

Contingency usage to date is \$47 million, or 32% of the budget compared to a completion level of 31% based on earned value, or 29% based on approved invoices. The current management reserve budget is \$81 million, an \$18 million decrease from the previous report primarily due to the funding of airline initiated revisions, the Master Plan share of the link building, Boarding Area G apron scope increases offset by a bid underrun from the Central Plant contract 5950A of \$1.9 million. The current forecast for the management reserve budget at completion is \$100.2 million.



The total program reached 31% completion with 78% design completion and 28% construction completion. The major completion milestones for the International Terminal Complex remained unchanged since the last reporting period. The International Terminal opening date is May 2000 facilitated by a phased turnover of tenant and concession space starting in April 1999.

Boarding Areas A and G are proceeding on schedule for an August 1999 and April 1999 respective completion.

Both the elevated circulation roadways and the inbound/outbound ramps are proceeding for on-time completion. Coordination issues between contractors of the circulation roadways and the south garage are being resolved with the potential schedule impact under analysis.

Due to the re-bid, the ART System operation date has slipped to December 2001.

The three basic packages of the Security and Special Systems were awarded on December 6, 1997 with Notices to Proceed issued the same week for the basic infrastructure package, the Communications and Terminal Management package, immediately thereafter.

In the area of job safety our actual rates of 6.21 for recordable incidents and 3.36 for lost time incidents remained lower than the Federal averages (10.6/4.9), but exceeded our goals which are 50% of the Federal values.

The MBE/WBE participation is 23%/6% respectively on the program level. A breakdown by major sub areas is presented in the report.

In summary, the Master Plan Implementation Program is on track for completion in accordance with the baseline budget and schedule.

Commissioner Strunsky congratulated Mr. Kardos and his staff on this quarterly report. Staff is looking ahead at both trends and anticipated costs. We need to be very aggressive at keeping the job scope exactly where it is. We have a great plan and a great program to get there. In other circumstances, other projects of this type sometimes tend to balloon during the last half of the project mainly because of additions. He hoped that a no change policy will be aggressively pursued unless it is a safety issue or engineering issue that can't be avoided. Mr. Kardos has done a pretty good job in forecasting those.

Mr. Kardos said that he mentioned before that they froze the program at the Director's direction on October 1. No changes will be made unless they are fuctionally required for the operation of the facilities.

Commissioner Strunsky noted that the Dobb's kitchen construction seems to be impacting our apron around Boarding Area G and that that is a significant issue. He asked if we will be reimbursed for costs that may have to be expended to bring Boarding Area G apron back on schedule.



Mr. Kardos responded that we rephased the construction staging of the apron so the associated cost impact is going to be negligible. If the risk has a definable cost impact, we will look for recovery. At this stage, with the rephasing of the apron construction, we are not looking at a major cost increase.

Mr. Martin said that United holds the lease for the Dobb's kitchen. They were notified that they would be held liable and that we expected \$500,000 or so in expenses. As a result of their working in a cooperative manner with the Airport and our consulting team we were able to minimize that cost. We notified United that since it was a minimal cost, and assuming that that continued to be the case, we would not charge them for the delay impact.

Mr. Kardos said that United was cooperating.

Commissioner Berman asked how much money Mr. Kardos anticipated would be left in the contingecy fund at the end of the program.

Mr. Kardos responded that we should be able to complete the program without touching the management reserve. Some money should be left in the contingency fund.

Commissioner Berman noted that it was not too long ago that we were on time and \$140 million below budget.

Mr. Kardos responded that we have \$150 million in budget underruns. That is compensated by line item that we carry in the budget for value engineering. Part of the \$150 million was value engineering savings to the tune of \$60 million.

# F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky referred to a July 29 memo from the Director regarding the year 2000 project and asked the Director to update the Commission at a later date.

Commissioner Strunsky noted that in June of last year the Commission discussed environmental cost recovery litigation and asked for an update on that as well.

# G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 and 4 were adopted unanimously.

3. Award of Contract No. 5701A - Airport Rail Transit Maintenance Facility S. J. Amoroso Construction Co., Inc.



Resolution awarding Contract 701A, Airport Rail Transit Maintenance Facility to S. J. Amoroso Construction Co., Inc., in the amount of \$9,694,756, contingent upon completion of HRC's review and Airport Staff's concurrence with HRC's favorable opinion regarding S. J. Amoroso's compliance with MBE and WBE subcontractor participation requirements.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Mr. Kardos explained that this contract is for the construction of the ART Maintenance Facility building shell. The facility will be a mixed use, three-story structure incorporating 35,100 sq. ft. for vehicle maintenance and shops, 21,060 sq. ft. office space and control room, 79 spaces (42,120 sq. ft.) for indoor parking. The finishing out and equipping of the facility will be done under the ART Operating System contract.

Four bids were received on December 9, 1997. Three of the four bids had mathematical errors affecting the ranking of the bids and the bid amounts. The four corrected bid amounts were:

N. L. Barnes Construction Co., Inc.	\$ 9,690,460.50
S.J. Amoroso Construction Co., Inc.	\$ 9,694,756.00
D.J. Amoroso Construction Co., Inc.	\$ 9,867,711.11
Alvarado Construction, Inc.	\$10,950,054.65

The baseline budget was \$11,411,240. The engineers estimate was \$10,504,929.

Due to a number of clerical errors and ommisions, N.L. Barnes submitted a request for relief of bid which staff recommends for approval by the Commission. The approval would make S.J. Amoroso's bid protest against Barnes mute.

The MBE/WBE goals are 22%/6%. The memo before the Commission indicates that HRC is currently evaluating S.J. Amoroso's good faith effort. In the interim, HRC completed the evaluation and approved Amoroso's good faith efforts

## 4. Modification No. 5 to Contract No. 5500E - International Terminal General Construction

No. 98-0024

Resolution approving Modification No. 5 to Contract 5500E, International Terminal General Construction, in the amount of \$7,982,195, for work transferred from



adjacent preceding contracts, design changes to facilitate construction, unanterpated conditions, change impact mingation, and value engineering cost savings. Funds for this modification will be provided from the project contingency, except for those finds transferred from adjacent preceding contracts.

Mr. Karrios explained that this commet modification consolidates 17 negotiated change orders associated with the International Terminal General Building Contract. The change orders represent five categories of changes.

- 1) Scope transfers from adjacent or preceding contracts, such as macroways or unlines, five change orders amounting to a total of \$5.4 million.
- 2. Design thanges or clarifications, such as missing details or correction of dimensions, four change orders totaling \$5.0 million, contract contingency.
- 3. Added scope stems to facilitate overall construction progress, such as CM field offices, steel samples for testing; four change orders totaling \$700,000 (contingency).
- 4. Change impact minigation by adding personnel to accelerate change order resolution, one change orders totaling. \$400,000 (contingency).
- 5 Value engineering cost savings credit in the amount of \$3.5 million, to be transferred to Management Reserve.

Commissioner Berman asked from much in design changes and how much in transfers.

Mr. Kardos responded that there is \$5.4 million in transfers and \$5 million in design changes.

Commissioner Strunsky noted that there is \$5.4 million in transfers and a net of about \$2-million between the design changes and the credit for value engineering.

Commissioner Strunsky noted that there were several items that were confusing in the way that they were presented. Item No. 8 on page I of Attachment A states "It was not clear from the contract documents which contractor was responsible for the concrete and rebar associated with these columns, therefore it was agreed this was added work." This sems to suggest that we paid for this three times. We paid for it for one contractor and then another contractor and then we gave them both a change order. It is not clear from this that it wasn't on the drawings.

Mr Kardos responded that we are paying for it once. It was not on the drawings.

Commissioner Strunsky noted that that is not what it says. It implies an interpretative issue.

Mr. Kardos responded that the general contractor was of the opinion that the steel contractor



was to do it. The steel contractor was of the opinion that the general contractor was to do it. Neither bid on it.

Commissioner Strunsky asked if it was on the drawings.

Mr. Kardos responded that it was not. It was a design flaw.

Commissioner Strunsky said that it implies that it was on the drawings and there was confusion.

Commissioner Strunsky questioned Item No. 35 and the \$767,000 in base isolator grout thickness.

Mr. Kardos responded that this is grout supporting the base isolators.

Commissioner Strunsky asked how many cubic yards of grout we were talking about.

Mr. Kardos responded that it is not the cubic yards as much as it is the process used.

Commissioner Strunsky asked about Item No. 47 and why we were paying for \$138,000 worth of costs.

Mr. Kardos responded that it had design implications.

Commissioner Strunsky assumed that the cracking existed because of some rolling and fabrication problems in the subcontractor shop.

Mr. Kardos responded that that was a contributing factor, however, five or six plates stiffen in the joints. It was a design issue that made them excessively stiff.

Commissioner Strunsky did not criticize the use of the consultant, he was bothered that we were paying for it.

Commissioner Strunsky was bothered by an inspector's trailer for \$240,000. This includes trailer, utility connections, furniture and equipment.

Mr. Kardos responded that all CM teams were consolidated in the Boarding Area A Rotunda. Trailers for inspectors were added so that they could be physically located next to the work site. The aggregate amount of the modification was the amount indicated. This amount would have been paid otherwise had we paid for the facilities provided by the contractor or the CM teams. This was a one time consolidation of all IT related CM inspection teams.

Commissioner Strunsky noted that Item 51 includes the build out of the SFO Associates office in the Rotunda of the first floor so he did not think that was included in No. 14.

Mr. Martin responded that it is not. The trailers are adjacent to that area. There is more than



one trailer

Commissioner Crayton responded that there are four trailers.

Commissioner Strunsky expressed concern over Item No. 26. He asked if the changes mentioned in the item were marked up for overhead and profit when they are approved.

Mr. Kardos responded that they are, however, these are extraordinarily large changes. The key is timeliness of the change.

Commissioner Strunsky said that all he needs to hear is that the \$428,000 is going to be taken off of their markup.

Mr. Kardos responded that we will get it back in the overall negotiated amount of the change order.

Commissioner Berman said that because the Airport has plenty of money we are in a position to be taken advantage of. Would these issues be handled the same way if this was a private project. He would like notations to each indicating that it is being addressed and efforts are being made to recover costs.

This is not a criticism of the work. The Commission needs assurance.

Mr. Martin said that at the next meeting we can have a much more detailed presentation. There is someone on the CM team who does nothing but review all of the project manager change orders. He makes sure that we are being charged at the appropriate rates. That we are holding the design firms accountable for errors and omissions. It also goes through our management audit group. It applies the industry standards on the cost on a per unit basis and then it goes to the advisory committee which includes the Senior VP of a construction management firm, Jason Yuen, all of the deputies, and an airline representative. That group makes a recommendation to him. Tom Kardos and Jason Yuen report on all of the recommended changes. There are the usual follow up questions before it comes before the Commission for review and approval. An extraordinary check and balance is in place.

Commissioner Strunsky has a problem with the description.

Commissioner Crayton needs background information.

Commissioner Berman agreed.

Commissoiner Berman asked about Item No. 28.

Mr. Kardos responded that it was a design error and was the fault of the designer. The designer has been put on notice.

Commissioner Berman said that that information should be included.



Mr. Martin said that design firms are being held accountable. In terms of specific action, we prefer to keep that under attorney-client privilege.

Mr. Kardos assured the Commission that this project is not handled any differently than it would be handled in private industry. He acknowledged that a program of this size doesn't go without change orders so they have to be prepared with contingencies.

Commissioner Strunsky asked what impact a no vote would have on this item.

Mr. Kardos responded that this schedule is very important. We must proceed in order to maintain the schedule.

Commissioner Crayton remembered receiving a memo regarding this issue. It is critical to move this forward.

Mr. Martin added that staff tries to provide memos in advance on items such as this. Further, we have the best talent available in the construction industry. We have hired the best construction management firms to participate. We have excellent staff and we have excellent checks and balances in place. This would be a serious impediment to the program. Many change orders come to him and he must sign off in advance of Commission approval. If he cannot get Commission approval on these items, the contractors aren't going to trust his ability to receive approval

Commissioner Berman believed that a no vote would indicate a no confidence vote and the Commission does not mean that. The questions were valid. He has great confidence in staff.

Commissioner Strunsky asked for a more detailed update at a later date on some of the issues he raised.

\* \* \*

### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 through 8 were adopted unanimously.

#### 5. Non-San Francisco Taxicab Procedures

No. 98-0025

Resolution amending Airport rules and regulations and establishing new procedures and access fees for Non-San Francisco Taxicabs.

Mr. Martin explained that as he has reported over time we face extreme congestion at the curbs in front of the terminals. In recent years the non-San Francisco taxicabs have become more of a problem, because cabs that are legitimately waiting for pre arranged passengers park at the curb for long periods of time. The other problem is the bandit cab drivers, especially San Mateo County cab companies.



We have had two hearings with San Mateo cab companies which constitute the primary market for non-San Francisco cabs and came up with what we believe is the best plan. They will have a separate staging area on the arrivals level. We will have a dispatcher. Passengers who have pre-arranged a cab would go to the dispatcher in front of the terminal. The dispatcher would radio to the dispatcher holding the San Mateo cab to come to the curb. It would be a positive control system.

Drivers would be charged a \$1.50 fee for taking a passenger to areas in Northern San Mateo County and \$2.50 to any other areas. The \$2.50 fee is what San Francisco cabs currently pay.

The \$1.50 fee is necessary in order to partially recover our costs. We will achieve approximately 50% cost recovery against the \$100,000 cost of operating this additional dispatch station and purchasing the necessary equipment.

The fee is consistent with what we charge van companies that provide door-to-door service in San Mateo County and is consistent with the philosophy we have used over time when we put in new regulations and new systems of control. We require some level of cost recovery.

We have done this with San Francisco cabs, door-to-door vans, scheduled bus operators and limousines. This is just one more category of ground transportation operators to which we are applying a positive control system and charging a fee to help recover our costs.

Ms. Arlene Gilio with Peninsula Yellow Cab, representing the cities of South San Francisco, San Bruno and Millbrae voiced her concern for the residents of these communities who take cabs from the Airport to these areas. The fares to these locations range from \$5.00 to \$7.00. The proposed fee is not feasible for their drivers.

Peninsula Yellow Cab has been in business for 30 years and has a base of customers.

A \$1.50 fee on a \$5.00 to \$7.00 fare would cut into their income significantly.

Mr. Joseph Gilio, Peninsula Yellow Cab said that their drivers have been picking up pre-arranged passengers on the upper level for the last twelve years. This gives them direct access to their customers. The new proposal would place the cabs in a staging area and would require the customer to locate the dispatcher to call the cab. He feels that their customers will ultimately take a San Francisco based cab.

Commissioner Strunsky asked Mr. Gilio if most of their business is pre-arranged. Do their cabs wait curbside for pre-arranged passengers when a flight is late?.

Mr. Martin responded that all operators face this problem. The limousine companies want to wait at the curb for their passengers. Door-to-door vans want to wait at the curb for their groups. There is not enough curb space. When we eventually convert the first level of the garage into the ground transportation center we can allow that. We can't allow it today. Every type of passenger who is meeting some type of commercial pre-arranged transportation has to pick up a phone or go to a dispatcher to get the ground transportation service to pull up



to the curb. San Mateo cabs have been enjoying a special benefit that no other type of operator has enjoyed. In the past it was a small enough piece of our operation that we could get by, but it's grown to be too big a part of the business.

San Mateo cabs, like other types of ground transportation operators, will have to absorb the fee into their rates. They may have to go to their cities for a rate adjustment, as door-to-door vans and limousines have done.

Mr. Gilio explained that they do not do pre-arranged pick ups on flight schedules. Their customers are instructed to call when they arrive.

Mr. Gilio suggested that a way to address the solicitation problem is to have a placecard in the window.

Commissioner Mazzola responded that the Sargeant of parking indicated that Mr. Gilio's suggestion would not work any better than what is being done today. The proposed staging area looks more feasible.

Mr. Gilio suggested that the placecard could include a time of authorization.

Mr. Gilio added that the notification from Landside for this meeting was January 30. He did not have enough time to prepare.

Commissioner Quan noted a comment made by Mr. Gilio that San Francisco cabs don't pay a fee.

Mr. Gilio explained that a San Francisco cab can take a local fare without paying a fee as long as he gets back by a certain time. He understands that the second time they are charged a fee.

Mr. Shuman, El Camino Cab, agreed with Mr. Gilio and said that they shared the same problems. They currently have three cabs; seven more are coming.

Mr. Ralph Jacobson, San Francisco Yellow Cab, asked if there were any statistics that indicate the actual volume of pre-arranged pickups.

Mr. Martin explained that Mr. Edwin Leung can respond to his questions after the meeting.

Mr. Jacobson asked where the staging area will be.

Commissioner Mazzola responded that it will be downstairs in front of USAir.

Mr. Jacobson asked if it was clear to the Peninsul cab companies that they should only be at the curb for pre-arranged pick ups?

Commissioner Berman responded that he could not answer for them.



Commissioner Mazzola explained that pre-arranged will be for passengers calling after they retrieve their luggage.

Mr. Jacobson asked what will prevent them from driving in and claiming they have a prearranged pick up.

Mr. Martin responded that he knows we will have to watch that.

Mr. Jacobson said that El Camino Cab No. 40 is there every night soliciting for fares. He sees Cab No. 40 in the City picking up people with luggage and he knows that is being done illegally.

Mr. Martin said that he shared Mr. Jacobson's concerns. San Mateo cabs should only be at the curb for pre-arranged passengers. He wants the rules to be as tight as possible. He would like Mr. Jacobson to present any ideas he has to staff.

Mr. Jacobson said that San Francisco cabs pay \$2.50 before they even see their first ride, whether that fare takes one hour, two hours or 20 minutes. They don't pay for the first short. They do pay for the second short. If they get three or four shorts in a row, they still pay.

If a customer calls for a cab from the staging area before the luggage is retrieved, a cab could end up waiting at the curb.

Mr. Martin said that a public hearing was held in December with the same regulations and the same proposal. We had already had a separate meeting with the industry. As a result of the Commission's concerns another meeting was held with the industry. We came back with the same proposal, the same regulations.

We always send out the Commission package in advance of the Commission meeting to interested parties. This is exactly the same proposal that was made in December. There has been extraordinary public notice on this item, beyond what we normally require.

San Mateo cabs are not going to agree with us because they are profiting enormously. New companies are being formed because of the strong market and an enormous advantage at being able to pull up to the curb. It is undermining the limousine business and the San Francisco cabs who are all playing by the rules. There are so many San Mateo cabs that are playing outside of the rules that it is unfair to the others.

The \$1.50 fee is fair. Without it, the San Mateo cabs don't pay any fee at all. The northern San Mateo cab companies could claim short hauls and receive the dispatch service free of charge.

San Francisco cabs pay their \$2.50 when they enter the Airport. When the rates are calculated for cost recovering we take the short hauls into account.

We have sufficient public comment on this issue.



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We have sufficient public comment on this issue.



Commissioner Mazzola agreed with Mr. Martin. Good meetings were held. He is satisfied that this is a fair proposal should be tried. The solicitation problem will be solved. A fee should be paid for the dispatcher and the staging area. This could be revisited in a year to determine its effectiveness.

Mr. Martin said that he will return after six months and again after a year with a status report.

Commissioner Berman asked if the Airport could be of any help to the Peninsula cab drivers in getting a rate change through their local jurisdictions.

Mr. Martin responded that he would be happy to send a letter to the Mayors of the neighboring cities informing them that this fee will be imposed as of May 1 and encourging them to take that into account in their approval of the taxi rates.

Mr. Gilio said that that is a major concern. He again expressed his concern over the short notice regarding this meeting.

Mr. Martin responded that there were three prior notices. There was one public hearing and two separate meetings at the Airport.

Commissioner Berman said that this will not go into effect until May 1 so the Peninsula cab companies have plenty of time to get their rate changes.

Mr. Gilio thought that another meeting or two would be helpful.

Commissioner Berman felt that enough meetings have been held.

Commissioner Mazzola thought they should proceed.

Commissioner Strunsky said that by this time the Peninsula cab companies should have sounded out the point of view on fare increases. Their cab fares are pretty low.

Mr. Gilio said that the fees were not the concern as much as direct contact with their passengers.

Commissioner Quan noted that the issue is the upper level pick up and asked if the Master Plan construction would impact that.

Mr. Martin said that the construction does not impact the upper level. It is more congested because hotel vans have been shifted to the upper level due to construction on the lower level.

Mr. Martin said that San Mateo cabs enjoy a benefit that no one else enjoys. Even a member of the public can't park at the curb for longer than 60 seconds before they are moved on.

Commissioner Quan noted that San Mateo cabs cannot pick up passengers that are not prearranged.



Mr. Martin said that that is not provided for under existing regulations.

Commissioner Berman asked if a letter could be sent to all operators clearly explaining the procedure.

Mr. Martin said it could be done.

Mr. Jacobson said that San Francisco cabs pay \$2.50 no matter where they go. He does not understand why San Mateo cabs will only pay \$1.50.

Commissioner Strunsky asked if they paid anything to go to San Bruno the first time.

Mr. Martin explained that they pay \$2.50 to enter the garage taxi staging area. They are allowed back to the front of the line if they return within 30 minutes.

Mr. Jacobson said that they get one short after they pay \$2.50. If they get a second short they pay another \$2.50.

Mr. Jacobson said that there is no Ground Transportation Unit employee on duty at nights, holidays or weekends to resolve problems.

Commissioner Mazzola responded that this proposal will eliminate that. Anytime an officer sees a cab upstairs they will know that it is a violation.

Mr. Jacobson said that Sunday is the busiest day of the week and there is no one from the Ground Transportation Unit on duty to handle it.

Item Nos. 6, 7 and 8 were called together and adopted unanimously.

6. Award of the Boarding Area "F" Newsstand Lease - Del Duca Enterprises, Inc.

No. 98-0026

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that three bids were received January 8, 1998. Del Duca is woman owned business. She has met the Human Rights Commission affirmative action program and is in compliance with the Domestic Partners legislation.

7. Award of the North Terminal Candy Cart/Kiosk Lease - Del Duca Enterprises, Inc.

No. 98-0027

Mr. Rhoades explained that on January 8 fours bids were received. The high bid was submitted by Vendor Marketing Services, Inc. It was subsequently determined that this



company had no experience in candy and confectionary goods and they withdrew. Del Duca was the second high bidder.

Rejection of Bids - North Terminal Specialty Store Lease - Authorization to Re-bid as a Retail
 Apparel Concession - Authorization to Conduct Pre-Bid Conference - Authorization to
 Holdover Current Lessee

No. 98-0028

Resolution rejecting all bids for the North Terminal Specialty Store Lease, re-bid this lease as a retail apparel concession, authorize staff to conduct pre-bid conference for the North Terminal Apparel Boutique and holdover the current Lessee, Personal Priorities, until lease is awarded.

Mr. Rhoades said that this was a discretionary lease. Staff put out a range of discretionary themes on which a persective bidders could bid. It was specified that rather than having general retail experience the bidder had to select the specific topic and have a store that sold that particular item.

Six bids were received for this opportunity but because it was complicated and we failed to explain it properly, the six bidders picked themes for which they did not have the requisite experience or the financial background. He is requesting that all bids be rejected. The specifications are being changed to an apparel store. They have also been changed to require general retail experience in three of the last five years.

This resolution also provides to holdover the current operator, Western Motives, through the summer months.

Commissioner Berman asked if there were any objections over what is being done.

Mr. Rhoades responded that he had discussions with several of the bidders and after he explained the process as it was contemplated, they understood.

\* \* \*

#### I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos 9 through 17 were adopted unanimously.

9. <u>Award of Contract No. 5750.2 - Design Services for Japan Airlines - Site Improvements at North Field - F.E. Jordan Associates, Inc.</u>

No. 98-0029

Resolution awarding Contract 5750.2, Design Services for Japan Airlines - Site Improvements at North Field to F. E. Jordan Associates, Inc., in the amount of \$126,466.

The JAL Site Improvement Project design (Contract 5750.2) and construction (Contract 5750D) are included in the Baseline Budget for the North Cargo Project. The proposed F.E. Jordan and Associates, Inc. Design fees are within the project budget.

#### 10. Approval of the A/E Selection Panel's Nomination of Architecture/Engineering Consultants

No. 98-0030

Resolution approving A/E Selection Panel's nomination of Architecture/Engineering Consultants for three projects: Contract 5604, Police Training Facility Contract 5606, Police Main Station and Contract 5832, Emergency Response Facility (ERF) #4, and authorizing staff to prepare contracts for the Commission's consideration.

Commissioner Strunsky noted that in each case there is a cost estimator on the project and he assumed that the cost estimator is also a construction manager. He was concerned that the issue of buildability be reviewed with the architect's design at the same time.

#### 11. Retirement Resolution - Antje Kunney

No. 98-0031

# Award Garage Taxi Staging Area Mobile Catering Leases "A" and "B" - Fresh & Natural No. 98-0032

## 13. Award of Cellular Phone Rental Service Lease - Auto Symphony of San Francisco

No. 98-0033

Resolution awarding the cellular phone rental service lease to Auto Symphony of San Francisco.

# 14. <u>Modification No. 1 of Delta Lease No. 67-0980 to Reflect Relocation of Certain Ramp</u> <u>Operations from Plot 12A to Plot 12C</u>

No. 98-0034

Resolution modifiying Delta's Lease No. 67-0980 to delete 1.4 acres on Plot 12A for use by the Airport for Employee Parking, and add equal acres on Plot 12C for the relocation of Delta Ramp operations, so displaced.



#### 15. Rent Credit to Host International, Inc. for Work On Behalf of the Airport

No. 98-0035 Resolution authorizing a rent credit to Host International, Inc. for construction of the storefront prototype on behalf

of the Airport at a not-to-exceed cost of \$310,000.

#### 16. Rent Credit to Pacific Bell for Work on Behalf of the Airport

No. 98-0036 Resolution authorizing a rent credit to Pacific Bell for the construction of office space on behalf of the Airport at a

not-to-exceed cost of \$81,000.

#### 17. Bid Call - Contract No. 3973 - 1998 Silt Removal

No. 98-0037 Resolution approving the scope, budget and schedule and authorizing the Director to call for bids for Contract

3973, 1998 Silt Removal.

\* \* \*

#### J. PUBLIC HEARING:

The public hearing was convened at 10:40 AM and ended at 10:45 AM, there being no comments from the public.

### 18. Proposed Budget for FY 1998/99

Public hearing on proposed revenues and expenditures amounting to \$356.8 million in FY 1998/99.

Mr. Marcus Perro, Assistant Deputy Director, Business and Finance explained that the proposed budget for 1998/99 will allow us to open the new International Terminal on time and staff the facility. It will also allow us to increase the annual service payment to the City by \$1 million as well as maintain and operate the Airport to its high standards.

We are requesting an additional 284 positions of which 190 will be needed to operate and maintain the new International Terminal. Funding is being requested for those positions now so that these employees can be trained one year in advance of opening.

We are also requesting an additional 68 positions to implement customer service and custodial improvements. An additional 26 positions are being requested for the graveyard shift for maintenance crews. The graveyard shift will allow us to maintain our restrooms and other Airport facilities without inconveniencing passengers.

The annual service payment will increase by \$1 million primarily because of the strength of



the Airport's concession program and the demand for public parking. Because of the increase in the concession program the net payment to the City after its repayment of the 1993 advance would also increase by about \$500,000. We are also paying the City approximately \$50 million for Police, Fire and the services of other departments.

The proposed rates for 1998/99 will allow us to improve safety and security and the appearance of our facilities.

Commissioner Berman asked if the number of employees projected for the new terminal was based on the number of square feet.

Mr. Perro responded that an analysis was done on the basis of square feet and how much of the facility we will have to maintain ourselves.

Commissioner Berman asked if any thought was given to paring down the number of people it will take to provide full staffing.

Mr. Martin responded that we want to see improvements in productivity. Staff will present a more detailed analysis in comparing ourselves to other airports and using productivity measurements.

Commissioner Strunsky noted that the chart indicates an increase in productivity.

Commissioner Quan asssumed that the annual service payment is a conservative projection because the concession square footage will increase by about 50%.

Mr. Martin said that it is conservative. The current fiscal year budget was \$20.5 million.

\* \* \*

#### K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no comments from the public.

\* \* \*

#### L. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*



The Commission recessed its meeting at 10:45 AM for a five minute break. It resumed at 10:50 AM and went into closed session.

#### M. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Allied Pilots Association v City and County of San Francisco and Airport Commission; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

#### N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:00 AM.

- Jun Cara ma H. . Jean Caramatti

Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



MAR 3 0 1998
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# MINUTES

March 3, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
(BOARD OF SUPERVISORS COMMITTEE MEETING ROOM)
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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M.



### Airport Commission Meeting Minutes March 3, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

#### B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Roland A. Quan, Vice President

Hon. Michael S. Strunsky

Hon. Larry Mazzola

Hon. Linda S. Crayton

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 3, 1998 were adopted unanimously.

No. 98-0040

\* \* \*

### E. DIRECTOR'S REPORTS:

1. Overview and Status of the New International Terminal Concession Program

\* \* \*

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was discussed at 10:00 AM.

2. <u>Award Contract 5703A (Re-bid), Phase 1- Airport Light Rail System (ART) Operating System - Adtranz</u>



No. 98-0041

Resolution awarding Contract 5703A (Re-bid), Airport Light Rail System (ART) Operating System, to the lowest reliable, responsible and responsive bidder, Adtranz in the total amount of \$116,626,759.

This activity is within the scope of the San Francisco International Airport's Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The purpose of this contract is to provide for the final design, manufacture, construction, installation, testing, operation and maintenance of the Airport Rail Transit Operating System. This fully automated guideway transit system will provide transportation from the remote parking areas to all terminals throughout the airport.

The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impact for purpose of the California Environmental Quality Act (CEQA).

Item Nos. 3 through 8 were adopted unanimously.

3. Award Contract 5521A - Boarding Area "G" Apron - Pavex Construction, A Division of Granite Rock

No. 98-0042

Resolution awarding Contract 5521A, Boarding Area "G" Apron, to Pavex Construction, A Division of Granite Rock, in the amount of \$18,453,962.50.

This project is part of the new International Terminal Complex which is covered under the Master Plan. The Master Plan was the subject of a Program Environmental Impact Report ("EIR") which was prepared by the City and County of San Francisco Department of City Planning, Office of Environmental Review, and certified by the San Francisco Planning Commission on May 28, 1992, all in accordance with the requirements of the California Environmental Quality Act, Cal. Pub. Res. Code Sects. 21000 et seq ("CEQA") and Chapter 31 of the San Francisco Administrative Code.

The purpose of this contract is to provide for construction of the Boarding Area "G" aircraft apron. The two-million-sq. ft. apron consists of twelve



jumbo/wide body aircraft parking positions, aircraft taxi lanes, three remote overnight (RON) aircraft parking positions, taxi lane lighting and underground utilities.

# 4. Modification No. 3 of Professional Services Agreement - Contract No. 5510 Gerson/Overstreet, Architects

No. 98-0043

Resolution approving Modification No. 3 to the Gerson/Overstreet, Architects contract for professional services fees covering Security and Special Systems changes, concession changes, airline changes, hydrant fueling system changes, value engineering design changes, and extended construction administration phase services. Amount of Modification is \$661,096. Funding for the Modification will come from non-Master Plan CIP Funds, Master Plan Management Reserve and a transfer from the 5515 Security Special Systems bid underrun.

# 5. <u>Modification No. 3 of Professional Service Agreement - Contract No. 5520 - Design Services for Boarding Area G</u>

No. 98-0044

Resolution authorizing Modification No. 3 of Professional Service Agreement, Contract 5520, Design Services for Boarding Area G, with Helmuth, Obata & Kassabaum, Inc., Architects in the amount of \$525,953.

This Modification is needed to increase HOK's services for concession changes, airlines' changes, Security and Special Systems changes, aviation fuel system changes, UAL pneumatic tube system changes and value engineering changes.

Funding for this Modification will come from non-Master Plan CIP Funds, Master Plan Management Reserve and a transfer from the 5515 Security Special Systems project bid underrun.

# 6. South and West Field Wetland Mitigation Plan Funding and Implementation

98-0045

Resolution approving SFIA's South and West Field Wetland Mitigation Plan and authorizing the Director to



enter into agreements to fund and implement the plan with a maximum total budget of \$8,237,057.

### 7. Resolution Authorizing the Sale of Issue 16/17 Bonds

No. 98-0046

Resolution providing for the sale of not-to-exceed \$250,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds, Issue 16, and for the sale of not-to-exceed \$45,000,000 principal amount of San Francisco International Airport Second Series Revenue Bonds, Issue 17, and delegation to the Airport Director within certain parameters established by the Commission.

8. Modification No. 1 to Professional Legal Services Agreement with Farella, Braun & Martel, in Joint Venture with Minami, Lew & Tamaki

No. 98-0047

Resolution approving Modification No. 1 to Professional Services Agreement with the law firm of Farella, Braun & Martel, in Joint Venture with Minami, Lew & Tamaki to increase compensation in the amount of \$50,000; all other terms and conditions to remain in full force and effect.

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 9 through 11 were adopted unanimously. Item No. 12 was put over.

9. Proposed Budget for FY 1998/99

No. 98-0048

Resolution adopting proposed revenues and expenditures amounting to \$356.8 million in FY 1998/99.

10. <u>Authorization to Commence the Selection Process for Two Major Concession Leases for the New International Terminal</u>

No. 98-0049

Resolutions (1) authorizing staff to commence the selection process for the Post-security Master Retail/Duty Free Concession Leases for the New International Terminal; and (2) authorizing staff to commence the selection process for the Master Food



11. <u>Authorization to Accept Qualification and Proposal Documents for the North Terminal Concession Opportunity Lease</u>

No. 98-0051

Item No. 12 was put over.

12. <u>Application for "State-Local Transportation Partnership Program" Funds in Connection</u> with BART to SFO Fixed Facilities Project

\* \* \*

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 13 through 32 were adopted unanimously.

13. Modification No. 1 to Contract No. 5900B - Surface Roadway Realignment

No. 98-0052

Resolution approving Modification No. 1 to Contract 5900B, Surface Roadway Realignment, with Esquivel Grading & Paving, Inc. to perform additional work tasks, to reduce contract bid item work quantities for the amount not-to-exceed \$164,935.89, to make final payment and close out the contract.

14. Retirement Resolution - George G. Teebay

No. 98-0039

Retirement Resolution for George G. Teebay -Federal Aviation Administration Federal Security Manager at San Francisco International Airport.

15. <u>Award Contract 3843- South Terminal Re-roofing, Phase II - M.H. Construction Management Company</u>

No. 98-0053

Resolution awarding Contract 3843, South Terminal Re-roofing, Phase II, to M.H. Construction Management Company, in the amount of \$2,160,000.



16. <u>Award Contract 3384B - Taxiway Q Extension, Phase B - Pavex Construction Company</u>

No. 98-0054

Resolution awarding Contract 3384B, Taxiway Q Extension, Phase B, to the apparent lowest, responsive, responsible bidder Pavex Construction Company, in the amount of \$1,278,030.

17. <u>Award Contract 3058C - Expansion of Taxiway Guidance Sign System - III</u> Barri Electric Co., Inc.

No. 98-0055

Resolution awarding Contract 3058C, Expansion of Taxiway Guidance Sign System - III, to the lowest responsive, responsible bidder, Barri Electric Co., Inc., in the amount of \$1,024,234.

18. <u>Award Contract 3937 - Professional Engineering Services - Geotechnical Consultant</u>
Olivia Chen/Treadwell & Rollo, A Joint Venture

No. 98-0056

Resolution awarding Contract 3937, Professional Engineering Services - Geotechnical Consultant" to Olivia Chen/Treadwell & Rollo, A Joint Venture in the amount of \$300,000.

19. <u>Award Professional Services Contract for Inflight Aircraft Simulation Modeling</u>
<u>ATAC</u>

No. 98-0057

Resolution awarding a Professional Services Contract with ATAC to perform computerized simulation modeling of aircraft enroute to SFIA in accord with the Airport Community Roundtable Work Program to evaluate changes to FAA Air Traffic Control procedures to reduce aircraft noise - \$90,000.

20. Contract Modification with the Corporation of Fine Arts Museums, San Francisco

No. 98-0058

Resolution approving a Contract Modification with the Corporation of Fine Arts Museums, San Francisco to provide technical assistance for the San Francisco Airport Museums for San Francisco International Airport. Increase compensation in the amount of \$80,000.



### 21. Modification No. 2 to Professional Services Contract with Roger Chinn

No. 98-0059

Resolution approving Modification No. 2 to the Professional Servies Contract with Roger Chinn to continue his services as the Airport's liaison to San Mateo County cities and communities in regards to Airport/Community Roundtable noise mitigation issues. Amount of Modification is \$20,000.

# 22. Resolution Approving Renewal of PUC Lease No. 24392 for Airmail Field Post Office at Plot 10B

No. 98-0060

Resolution approving the renewal of PUC Lease No. 24392, Plot 10B, at an annual rental rate of \$59,369.20 per acre per annum.

# 23. Option to Renew Contract with RIDES for Bay Area Commuters to Staff the Airport's Ground Transportation Hotline

No. 98-0061

Resolution authorizing the Director to exercise the fourth and final one-year option to renew the contract agreement with RIDES for Bay Area Commuters to staff the Airport's Ground Transportation Hotline for the period April 1, 1998 through March 31, 1999, with a budget not to exceed \$102,500.

### 24. AMPCO System Parking Agreement - Exercise Second One Year Option

No. 98-0062

Resolution approving exercise of second of five options of AMPCO System Parking's Agreement.

# 25. <u>Authorization to Issue a Request for Proposals for the Center Island Skycap Service</u>

No. 98-0063

# 26. <u>Authorization to Issue a Request for Proposals for a Compressed Natural Gas Fueling Station for Ground Transportation Vehicles</u>

No. 98-0064

Resolution authorizing the Director to issue a Request for Proposals for a contractor to provide a



Compressed Natural Gas Fueling Station for ground transportation vehicles. The station would be provided at no cost to the Airport.

### 27. Bid Call - Contract No. 3967 - Parking Garage Taxi Lot Ventilation Improvement

No. 98-0065

Resolution approving the scope, budget and schedule and authorizing the Director to call for bids when ready.

### 28. Authorization to Conduct Pre-Bid Conference - Shoeshine Concession Lease

No. 98-0066

### 29. American Airlines - Reimbursement for the Rental of Sump Pumps for Plot 40.

No. 98-0067

Resolution approving the reimbursement to American Airlines for the rental of sump pumps associated with construction of a new parking lot on Plot 40, adjacent to the Superbay Hanger, at a cost not to exceed \$30,000.

### 30. Rental Credit to Host International, Inc.

No. 98-0068

Resolution authorizing a rental credit to Host International, Inc. for providing utilities to the Pasqua Cart on Boarding Area "B" at a not-to-exceed amount of \$15,000.

## 31. Approval of Code of Ethics for the San Francisco Airport Museums

No. 98-0069

Resolution adopting a Code of Ethics for the San Francisco Airport Museums. The purpose of this Code is to identify and clarify standards of conduct applicable to the members of the Airport Commission, the Airport Director, the Museums' Director, Museum employees, volunteers, and associated personnel.

# 32. Advance Approval of Noise Easements for FY 1998/99 and Approval to Quitclaim Recorded Noise Easements



Resolution (1) approving in advance the acquisition of noise easements for home insulation funding pursuant to the Master Plan Memorandum-of-Understanding ("MOU"), and (2) approving the quitclaim of recorded noise easements.

\* \* \*

#### J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

#### K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The closed session began at 9:40 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled ATA v City and County of San Francisco and Airport Commission; and Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation, including Item No. 2 on this calendar.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

The meeting reconvened at 10:10 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.



Item No. 2 was discussed at 10:10 AM.

Award Contract 5703A (Re-bid), Phase 1- Airport Light Rail System (ART)
 Operating System - Adtranz

No. 98-0041

Resolution awarding Contract 5703A (Re-bid), Airport Light Rail System (ART) Operating System, to the lowest reliable, responsible and responsive bidder, Adtranz in the total amount of \$116,626,759.

This activity is within the scope of the San Francisco International Airport's Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The purpose of this contract is to provide for the final design, manufacture, construction, installation, testing, operation and maintenance of the Airport Rail Transit Operating System. This fully automated guideway transit system will provide transportation from the remote parking areas to all terminals throughout the airport.

The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impact for purpose of the California Environmental Quality Act (CEQA).

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned

at 11:40 AM.

J∉an Caramatti

Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



7/98

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# MINUTES

MARCH 17, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
(BOARD OF SUPERVISORS COMMITTEE MEETING ROOM)
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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#### Airport Commission Meeting Minutes March 17, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Roland A. Quan, Vice President

Hon. Michael S. Strunsky Hon. Linda S. Crayton

Absent: Hon. Larry Mazzola

\* \* \*

#### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 3, 1998 were adopted unanimously.

No. 98-0071

\* \* \*

#### D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### E. POLICY:

Item No. 1 was adopted unanimously.

# 1. Approve and Adopt Collections Management Policy for San Francisco Airport Museums

No. 98-0072

Resolution approving Collections Management Policy for San Francisco Airport Museums and authorizing transmittal of legislation to the Board of Supervisors permitting the Commission to sell, exchange or transfer works of art or other articles in the Airport Museums' collections.



Mr. John Costas, Acting Airport Director, explained that the Airport has had an exhibitions program since 1980 and is now comprised of both the SFIA collection and the Aviation Library and Archive. Before the Commission is a Collection Management Policy that will deal with the accessioning and deaccessioning, art works, exchange, loans, transferring, care of the collection, record keeping, inventory control and insurance requirements.

This policy has been propagated as part of the museum accreditation process.

Commissioner Strunsky strongly recommended adopting this resolution. To have our Airport an accredited museum, with the ability to accept and display museum quality exhibitions from all over the world, is unheard of and wonderful.

ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was adopted unanimously.

 Modification No. 4 to Professional Services Contract 5000 - Traffic Engineering Services, Concession Studies and Development of New Hotel Studies - Leigh Fisher Associates

No. 98-0073

F.

Resolution approving Modification No. 4 of Professional Services Contract 5000 with Leigh Fisher Associates for traffic engineering services, IT concession studies, and development of new hotel studies. Modification is in the amount of \$1,411,000.

Mr. Bob Rhoades, Deputy Airport Director for Business and Finance explained that this is modification is in the amount of \$1,411,000.

The modification is necessary for the concession program when we finalize our marketing program for the new International Terminal Complex, consulting services as we move forward with our new hotel and our continuing roadway studies.

Commissioner Strunsky believed that our roadways were fairly well planned and pretty much set in concrete. Why do we need this service now?

Mr. Tom Kardos, Deputy Airport Director, Bureau of Design and Construction, explained that the traffic studies in this package are more than just traffic studies. The second phase of our Automatic Vehicle Identification System is part of this contract. Some analysis will be done associated with our evolving Ground Transportation Center. We are planning a photo simulation, which is a computer simulation of the facilities from the point of view of the passenger arriving from the landside.

The second phase of the simulation will be of the arriving passenger from the field side.

There is an on-going demand for traffic studies as we shift lanes back and forth and try to



manage the operation of the Airport.

Commissioner Quan noted that the HRC is reviewing the modification and asked if they have approved it.

Mr. Kardos responded that the MBE/WBE percentage remains the same as it was in the original contract.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

 Award of Contract for Media Services to Promote Ground Transportation DuDell and Associates

No. 98-0074

Resolution awarding media contract to promote ground transportation to DuDell and Associates in the amount of \$425,000.

Ms. Alice Sgourakis, Landside Operations explained that the Commission authorized an RFP in September for the Share-the-Ride Campaign. Five proposals were submitted. Two finalists emerged. The decision was made based on approach. DuDell and Associates was selected.

DuDell and Associates elected to continued the radio campaign. This allows us to reach a larger population per dollars spent. This will be supported with other types of media such as billboards, travel agent mailings, internet links, etc.

Commissioner Crayton asked about the MBE/WBE percentage.

Ms. Sgourakis responded that they are a certified woman-owned business. Their team also includes 12% to 15% of minority and women-owned businesses as subconsultants.

Commissioner Strunsky asked if the \$425,000 included the buys as well.

Ms. Sgourakis responded that the buys are about 40% of the budget.

 Award of Scheduled Bus Service Route to Fisherman's Wharf Lorrie's Travel and Tours, Inc.

No. 98-0075

Resolution awarding the rights to provide scheduled bus service between the Airport and Fisherman's Wharf to Lorrie's Travel and Tours, Inc.

Mr. Rhoades explained that last year the Commission authorized an RFP for scheduled bus service to Downtown/Financial District/Union Square and to Fisherman's Wharf.



In December, 1997 the Downtown schedule was awarded to SFO Airporter. At the same time the Commission authorized staff to request additional information and review the proposals from the five companies who had submitted proposals for the Wharf route.

The independent panel of four evaluated the five proposals that were received. The panel is recommending award of the Wharf route to Lorries.

Lorries proposal includes servicing nine hotels in the Wharf area as well as along Van Ness Avenue. Lorries is also providing a full time operations manager to oversee this operation.

Mr. Jeff Leonoudakis, President of SFO Airporter said that his company has operated a scheduled service between downtown hotels and the Airport for the last 22 years. During that time there have been four different operators with similar service. All four operators have had their permits revoked for violating rules and regulations of the Airport. They are concerned about this award because Lorries is allowed to use independent contractors in lieu of employee drivers. They feel that the use of independent drivers will create an insufficient market share which will result in violations of the rules and regulations.

When these operators find that the market share is inadequate they are forced to go off routes, solicit passengers and operate off schedule. This creates an uneven playing field at the Airport and puts their service at a disadvantage. His company has followed the rules for 22 years.

Fixed route schedule service is dependent on control. Drivers must follow a fixed route and operate a specific schedule.

IRS rules governing independent contractors indicate that the company must control the employees. How can a fixed route schedule service with independent contractors do this?

Commissioner Berman noted the remarks made by Mr. Leonoudakis and told him that the responsibility to monitor the situation is in the hands of the Commission.

# 5. <u>Authorization for Pre Bid Conference - Boarding Areas "B" and "C" Principal Concessions</u> Retail Lease and Boarding Areas "B" and "C" Bookstore Lease

No. 98-0076 No. 98-0077 Resolutions authorizing staff to conduct Pre-Bid Conferences for Boarding Areas "B" and "C" Principal Concession Retail Lease and Boarding Areas "B" and "C" Bookstore Lease.

Mr. Rhoades explained that the principal concession lease for Boarding Areas B and C will expire on January 10, 1999. Staff proposes to break the lease up into two separate leases. The first will combine facilities, one at the entrance of Boarding Area B and the other at the entrance of Boarding Area C. Those leases will be designated as bookstores. Staff is proposing a five year term with a minimum acceptable bid of \$450,000. The bidder must



have operated a bookstore within the nine Bay Area counties in excess of \$1 million in annual receipts.

The second lease is comprised of seven locations with 13 different concepts. The concepts include specialty stores and newsstands. The term is for five years with a minimum acceptable bid of \$1.3 million. This lease has a 30% DBE participation goal.

6. Reimbursement to United Air Lines, Inc. for the Installation of Temporary Public Restrooms in the North Terminal

No. 98-0078

Resolution authorizing reimbursement to United Air Lines, Inc. in an amount not to exceed \$450,000 for installation of temporary public toilet restrooms during renovation of the existing North Terminal public restrooms.

Mr. Rhoades said that the Airport is about to embark on a renovation of all of the restrooms in the North Terminal on Boarding Areas E, F and the terminal itself. This work includes enlarging the restrooms and to come into compliance with the ADA.

During construction, and due to the volume of passengers in the area, particularly Boarding Area F, we do not want to have restrooms closed without having alternative facilities. Since United will have the greatest impact, United has agreed to install temporary facilities while this project proceeds. These facilities will be moved to Boarding Area E when the renovation is undertaken in the American Airlines area.

Commissioner Berman asked how long this will take.

Mr. Rhoades responded that it will take a little over a year.

Commissioner Strunsky assumed that this is not a Master Plan project.

Mr. Rhoades responded that it is not.

 Authorization to Issue a Request for Proposals for Development of a New Airport Identity System

No. 98-0079

Resolution authorizing Director to issue a request for proposals for development of a new Airport identity system.

Mr. Rhoades explained that this is not just an identity system. This proposal will bring a common thread to signage throughout the terminal areas.

Commissioner Berman asked if signs will be biligual.



Mr. Rhoades responded that that is a real possibility. Several airlines have come up with that suggestion. We will be looking at it.

Commissioner Crayton assumed that the ADA requirements will be met.

Mr. Rhoades responded that we have ADA experts on staff those requirements will be incorporated.

Commissioner Strunsky asked if this had anything to do with the logo.

Mr. Rhoades responded that the logo will be looked at, possibly with an eye toward incorporating an element of the new International Terminal. However, the logo is only one element of a much larger program.

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 8 through 16 were adopted unanimously.

## 8. Modification No. 1 to Contract No. 5601G - Utility Relocations, Phase V

No. 98-0080

Resolution approving Modification No. 1 to Contract No. 5601G, Utility Relocations, Phase V, to incorporate scope transfers from Contract Nos. 3646R2 and 5960. Amount of the Modification: \$450,000.

Contract Nos. 3646R2 and 5960 are being reduced by \$300,000 and \$150,000 respectively. There is no net change to the Baseline Budget.

## 9. Modification #3 to Contract No. 3499 - Environmental Clean-up IV

No. 98-0081

Resolution approving Modification No. 3 of Professional Service Contract for Environmental Clean-up IV to approve a change in the joint venture of AGS, Inc., in Association with the Ellington Group, formerly the joint venture of CH2M Hill in Association with AGS, Inc., and to extend the term by 12 months to February 28, 1999. There is no increase in funds.

Commissioner Strunsky asked what happened to CH2M Hill? They are a world renowned company.

Mr. Jackson Wong, Deputy Airport Director for Facilities Operations and Maintenace responded that this contract is coming to an end and CH2M Hill's involvement is down to one employee. Since their participation is so low at this point, they asked to withdraw



from the joint venture.

The contract requires additional staffing from the remainder of the joint venture. There is no cost involved, only a time extension.

Mr. Calvin Womble, President of The Ellington Group, thanked the Airport for supporting the Ellington Group, a minority business. They have been able to grow at the Airport and they look forward to participating with their joint venture partner, AGS. He also thanked John Martin and Sam Mehta for his tough but fair negotiations.

Mr. Robert Wong, AGS, thanked the Commission, the Director and the staff for the opportunity to work at the Airport on environmental issues. They are pleased to joint venture with the Ellington Group. They will be at the Airport as long as they are needed and they will continue to provide staff to resolve any environmental issues.

#### 10. Bid Call - Contract No. 5511A - Boarding Area "A" Apron

No. 98-0082

Resolution approving the scope, schedule and budget for Contract No. 5511A, Boarding Area "A" Apron, and authorizing the call for bids when ready.

This project is part of the new International Terminal Complex which is covered under the Master Plan. The Master Plan was the subject of a Program Environmental Impact Report ("EIR") which was prepared by the City and County of San Francisco Department of City Planning, Office of Environmental Review, and certified by the San Francisco Planning Commission on May 28, 1992, all in accordance with the requirements of the California Environmental Quality Act, Cal. Pub. Res. Code Sects. 21000 et seq ("CEQA") and Chapter 31 of the San Francisco Administrative Code.

The purpose of this contract is to provide for the construction of the Boarding Area "A" aircraft apron. The 1.6 million square foot apron consists of twelve jumbo/wide body aircraft parking positions, aircraft taxilanes, two Remote Overnight (RON) aircraft parking positions, taxilane lighting and underground utilities.

# 11. Reimbursement to Northwest Airlines for Building Modifications Necessary Due to the Installation of the New ART Guideway

No. 98-0083

Resolution approving reimbusement to Northwest Airlines in an amount not to exceed \$125,000 for modification and remodeling of its Cargo Warehouse



Office Building entrance due to the installation of the new ART Guideway.

# 12. <u>Award of Professional Services Contract with GTE/BBN Technologies for Low Frequency Test House</u>

No. 98-0084

Resolution awarding a Professional Services Contract with GTE/BBN Technologies to implement studies of low frequency noise mitigation south of runways 01, including a test house to evaluate proposed mitigation in accord with the Airport Community Roundtable Work Program in an amount not to exceed \$250,000.

Commissioner Strunsky asked if this was a new technology to insulate houses.

Mr. Costas explained that the standard noise measurement has been an A-weighted scale decible measurement system. SFO has a unique situation due to its geographic location with mountains surrounding the Airport. We have a different frequency of noise which is low frequency or a rumbling that is experienced up the hill in Millbrae and Hillsborough during Runway 01 takeoffs. This is a C weighted scale on the noise measurement scale. There are no regulations that deal with C weighted scale measurements or impacts. This has become a high priority item of Airport Community Roundtable Work Plan. The Mitigation Program and the Roundtable Work Plan commits to studying C weighted low frequency noise and to insulating a test house to see if that noise can be mitigated.

GTE/BBN are leaders in this field. They have done some preliminary work for us. Other firms, including Salter Associates and Harris Miller were looked at, however, GTE/BBN are the resident experts in this field and have the technology that can apply to a test house.

Commissioner Strunsky asked for a briefing at a later date.

Mr. Costas responded that the entire Commission will receive a briefing.

# 13. Airfield Bus Operations

No. 98-0085

Resolution approving increased reimbursement to San Francisco Foreign Flag Carriers for providing dedicated airfield bus operations to a maximum of \$250,000 per year during the contract.

## Modification No. 1 to Professional Services Agreement for Environmental Consulting Services - LSA Associates, Inc.

No. 98-0086

Resolution approving Modification No. 1 to Professional Services Agreement with LSA Associates, Inc. for



environmental consulting services to secure resources agency approvals and permits for Airport projects in the amount of \$75,000.

#### 15. Shuttle Bus Agreement #68252, Modification #19

No. 98-0087

Resolution authorizing reimbursement to SFO Shuttle Bus Company for unanticipated 1996 insurance and employee benefit costs

Commissioner Crayton asked what the amount was on this item.

Mr. Edwin Leung, Assistant Deputy Director for Landside Operations responded that it is \$34,456.

Commissioner Crayton asked if this is a normal reimbursement.

Mr. Leung responded that it is.

### 16. Rental Credit to Host International for Developing Space on Behalf of the Airport

No. 98-0088

Resolution authorizing a rental credit to Host International in an amount not to exceed \$329,000 for construction of Phase 2 of the Medical Clinic Expansion on behalf of the Airport.

\* \* \*

#### I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Daniel Sheehan, Business Manager for the Glaziers, Architectural Metal and Glass Workers Union, Local 718 in San Francisco said that S.J. Amoroso is the general contractor on Contract 5602B, Employee Parking Facility, and Dennis Amoroso is the general contractor on the Contract 5828, Emergency Response Facilities 1 and 3.

The Administrative Code, Section 6.46, signed by Mayor Jordan on August 17, 1994 states that "... contractors and subcontractors refering to qualifications in the awarding of any contract or written order or public work order mentioned in this article chapter of the awarding officer, board or Commission shall require from all contractors or subcontractors offering to agree to hire apprentices to be certified by the State of California, Division of Apprenticeship Standards." His concern is that on these two projects, Silver Glass of San Francisco and Rincon Glass from San



Jose are two glazing subcontractors that are not registered with any approved apprenticeship program in the State of California.

The Glaziers Union, as well as other local unions in the City have committed to the Mayor that they would do everything possible to hire the youth of San Francisco, especially disadvantaged youth. They are not receiving the Airport's help as far as hiring registered glazing contractors. There are no parallel programs with the glazing trade. These two contractors are not registered with the Glaziers Union in the Bay Area, so they are obviously not registered with the State of California.

Commissioner Strunsky asked Mr. Sheehan if he spoke with staff before coming to the Commission.

Mr. Sheehan responded that he felt that it was the City Attorney's responsibility to interpret the Administrative Code.

Mr. Costas asked Mr. Sheehan to submit an outline of his concerns to staff. A response will then be provided, with a copy to the Commission.

Commissioner Quan assumed that the Master Plan was under the Project Labor Agreement.

Mr. Costas responded that it is under the Project Labor Agreement which specifies apprenticeship programs. He is concerned that there may be an issue here.

## \* \* \*

#### J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### K CLOSED SESSION:

The Airport Commission did not go into closed session.

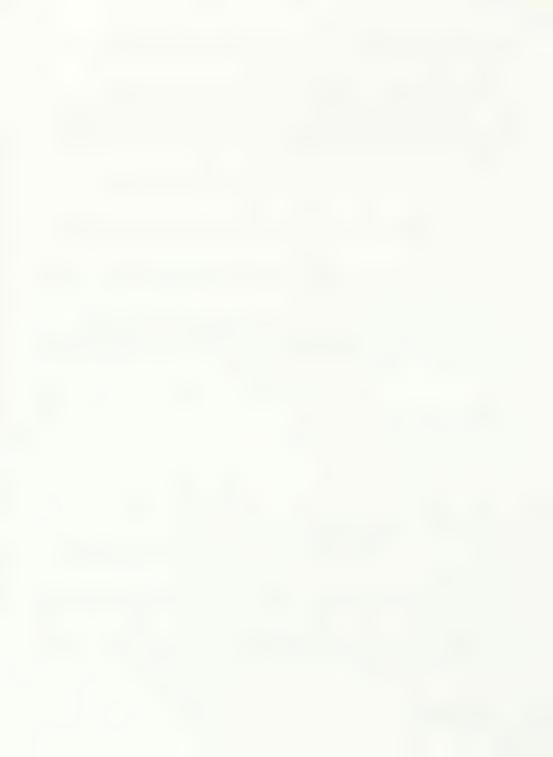
Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

#### L. ADJOURNMENT:



There being no further calendared business before the Commission the meeting adjourned at 9:40 AM.

Han Caranatti Jean Caramatti Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



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«MINUTES

April 7, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO
WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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#### Airport Commission Meeting Minutes March 17, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

#### B. ROLL CALL:

Present:

Hon. Henry E. Berman, President Hon. Roland A. Quan, Vice President

Hon. Michael S. Strunsky Hon. Larry Mazzola Hon. Linda S. Crayton

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 17, 1998 were adopted unanimously.

No. 98-0089

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 and 2 were adopted unanimously.

 Award of Contract No. 5520L - Passenger Loading Bridges, Potable Water System, and Aircraft Docking System (Boarding Areas A & G) - Thyssen Elevator Corporation

No. 98-0090

Resolution awarding Contract No. 5520L, Passenger Loading Bridges, Potable Water System, and Aircraft Docking System (Boarding Areas A & G), to Thyssen Elevator Corporation in the amount of \$9,630,683.

The purpose of this contract is to procure and install passenger loading bridges (PLB), potable water system, and the aircraft docking system for Boarding Areas A & G, part of the New International Terminal



Complex. This contract also provides for coordination and installation of PLB-mounted components of the preconditioned air and 400 Hz systems under Contract 5520J, Preconditioned Air and 400 Hz Electrical Systems for Boarding Areas A & G.

This project is part of the new International Terminal Complex which is covered under the Master Plan. The Master Plan was the subject of a Program Environmental Impact Report ("EIR") which was prepared by the City and County of San Francisco Department of City Planning, Office of Environmental Review, and Certified by the San Francisco Planning Commission on May 28, 1992, all in accordance with the requirements of the California Environmental Quality Act, Cal. Pub. Res. Code Sects. 21000 et seq ("CEQA") and Chapter 31 of the San Francisco Administrative Code.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that the purpose of this contract is the procurement and installation of the passenger loading bridges, potable water cabinets and aircraft docking system for Boarding Areas A and G. This contract also provides for the PLB-mounted components of the pre-conditioned air and 400HZ electrical systems.

Three bids were received on January 14, 1998. Airport staff, working with our consultants, determined that the apparent low bidder's team did not meet the requirements for experience and qualifications in the manufacture and installation of PLBs on projects of the size and complexity as proposed for SFO.

There were multiple protests filed by the bidders. Thyssen's protest targeted Amoroso's bid on the ground of qualifications and the use of a subcontractor who did not have a valid California contractor's license. This protest is moot in view of staff's evaluation of Amoroso's qualifications.

FMC-Jetway's protest against Thyssen Elevator Company alleged non-compliance with NFPA standard 417 and lack of experience in the manufacture of PLBs. Airport and City Attorney's staff evaluated Jetway's protests and found it without merit.

The combined MBE/WBE subcontractor participation of 4.1% proposed by Thyssen exceeds the 4% goal and has been approved by the HRC.

The evaluation of the bids submitted by the two low bidders concluded in finding Thyssen Elevator Corporation to be the lowest reliable, responsive and responsible bidder. The budget for this project is \$9,646,000. We recommend that the Commission award the contract to Thyssen Elevator Corporation in the amount of \$9,630,684 comprising the base bid and 7 of the 20 alternatives, and authorize the Director to exercise the additional 13 alternates subject to availability and funding.

Commissioner Quan noted that Thyssen's bid was \$12.8 million against a \$9.6



million budget.

Mr. Kardos explained that the number of additive alternates makes up the difference. The budget was for the base bid, not the additive alternates. The base bid for all bidders was below the baseline budget.

Mr. Darryl Woo, attorney for Dennis J. Amoroso Construction Company said that his client submitted a timely bid. Their bid is more than \$1.2 million under the nearest low bidder and more than \$2.2 million under the highest bidder, yet they have been disqualified from the bidding process.

A number of protests have been filed regarding his client's qualifications. Most of them have been eliminated through investigation by the Airport. The remaining protests relate to the licensing of the subcontractor, Jetbridge Technology Corporation. Jetbridge was not licensed as of January 14, 1998 but they had received notice that they had passed the examination for a California Contractor's License on January 6, 1998. The actual certificate was not issued until January 27, 1998. That is not a material difference in view of the fact that Jetbridge Technology has long been an installer of passenger loading bridges throughout the United States and is well recognized and qualifed.

The other issue has to do withTianDa's experience and qualifications. TianDa, the supplier, submitted documentation indicating that it has built more than 160 passenger loading bridges around the world in the last five years. The Airport has determined that the actual number that will count towards their qualifications is 96. The specifications call for having built at least 100 within the last five years.

Mr. Woo believed their number to be correct, however, even if the Airport's number is accepted he did not believe that it made a material difference.

He asked the Commission to reevaluate this matter and also asked for a copy of the Airport's report and exactly how it arrived at 96 bridges when they have built 160.

Commissioner Crayton asked if the technicality rested on the licensing issue of one of the subs.

Mr. Woo responded that Jetbridge Technologies received a notice that they passed their California contractor's exam on January 6. The bid opening was January 14. The actual certificate was received on January 27.

Mr. Alex Bannon, representingThyssen Elevator said that the bid documents had certain requirements and in order to have a fair bid process all bidders are required to meet all specifications in the bid proposal. Amoroso did not meet the specifications in a number of areas. The most significant area was in manufacture and installation experience. Amoroso has never installed any of these bridges. Their subcontractor is not licensed in California. Amoroso knew that the sub was not licensed at the time they submitted their bid and they used a false number to try to get passed the review process.

TianDa does not have experience building these types of bridges and they have not



built the required 100 bridges in the past five years. Further, they have never performed a job of this size and complexity.

Mr. Alan Samelson, representing FMC Jetway, believes that neither Amoroso nor Thyssen is responsive. With regard to the Amoroso bid, the experience requirements had both a quantitative and qualitative aspect. The quantitative aspect was addressed but the qualitative requirement that the bidder have sufficient experience in projects of this size and complexity was not. It is clear that neither Amoroso nor TianDa has ever manufactured or installed tunnel bridges which are involved in 16 of the 26 bridges to be installed.

There are two principle reasons why FMC has protested award to Thyssen. It is unclear whose bridges will actually be installed under the Thyssen Elevator bid because the manufacturer of Thyssen Elevator has claimed credit for it but it is not a listed subcontractor on their bid and is not part of their team.

The second reason has to do with the certificate of compliance for a fire standard, NFPA417. Thyssen Elevator is the entity that submitted the bid and claimed credit for the manufacturing experience of Thyssen Henschel of Germany. Thyssen Henschel is not on the subcontractor list that Thyssen Elevator submitted with this bid and Thyssen Elevator did not include Thyssen Henschel as a member of its bidding team. In fact, Thyssen Elevator is in the process of acquiring a Texas company called Stearns Airport Equipment Company. Thyssen Elevator's lawyer has represented in a letter to the Airport that Stearns will not participate in this contract but the Commission itself has nothing that binds Thyssen Elevator to use bridges manufactured by Thyssen Henschel.

Whose bridges will be supplied? It is wrong to allow Thyssen Elevator to meet the experience requirements by claiming credit for Thyssen Henschel who is not on the bid.

With regard to the certificate of compliance for the fire standard, the instructions were clear that a certificate must be included that states that the bidder's passenger loading bridges have been tested and certified to comply with the requirements of this fire standard called NFPA417. Thyssen's certificate does not contain that statement or anything close to it. It says that it assumes that fire testing was carried out in accordance with this standard.

He understands that the Airport staff has investigated this. His client has not been apprised of any additional documentation that was submitted. The documentation that Thyssen included in the bid had numerous omissions as to the testing. This is a material requirement of all bidders. Thyssen did not perform the test itself. It relied on a test performed several years ago by another company so Thyssen could not provide that certification.

Commissioner Berman noted that Mr. Samelson's client did not have a valid California contractor's license at the time their bid was submitted. That license was a bid requirement.

Mr. Samelson responded that his clients possessed all of the valid California



contractor's licenses at the time of bid. Amoroso's installation subcontractor, Jetbridge, did not possess a valid California license at that time. He joins in Thyssen's protest that Amoroso's bid contained a material deviation of the requirements that cannot be waived. No other bidder had the opportunity to use an unlicensed subcontractor.

Mr. Martin said that the Commission has faced the contractor's licensing issue before. The most recent issue was the Lockheed bid where we had to reject Lockheed even though it was several million dollars lower than the next low bidder.

Commissioner Berman asked if Jetbridge Technology's bid was rejected solely on the licensing issue.

Mr. Kardos responded that Jetbridge is a subcontractor to the team of Amoroso and Tian Da. The prime bidder is D.J. Amoroso. Tian Da is the supplier of the jetbridges and Jetbridge is the installer.

Jetbridge, a Texas-based company, did not possess a valid California contractor's license at the time of the bid submittal, but that was not the only reason for rejecting the bid. The primary reason for rejecting the Amoroso bid was the technical qualifications of TianDa, the bridge manufacturer and supplier. They manufactured 168 bridges but the Airport did not count the bridges manufactured prior to the five year period that was specified in the specifications. The aim of this requirement was to have a business that was a growing concern and not have a company that manufacturered and supplied bridges years ago. We did not want bridges that were not apron drive bridges, and we did not count bridges that were manufactured but not yet installed.

Commissioner Berman said that Mr. Woo claimed that they had 96 qualified out of 151 claimed. If the number was 100 rather than 96 would the bid have been accepted.

Mr. Kardos responded that the 100 was one of the issues. The other was that the size of the bridge represented another component. TianDa did not have experience in producing and installing tunnel bridges. The introduction of long bridges represented serious technical problems in installation.

Mr. Martin added that any one of the three deficiencies would have been reason for rejection.

Commissioner Strunsky noted that Mr. Samelson mentioned that Thyssen Henschel is the manufacturer of the bridges and they are not listed as a supplier in the bid. How do we know we will get Thyssen Henschel bridges?

Mr. Kardos responded that they are not listed as a subcontractor. Thyssen Henschel is a supplier of the bridges and according to law the supplier does not have to be listed on the subcontractor list. It was clear throughout Thyssen Elevators bid documents that it was Thyssen Henschel's bridges that Thyssen Elevator was proposing. They are sister companies.



Commissioner Strunsky noted that there was no bid violation in not listing Thyssen Henschel. He asked if Thyssen Henschel produced three tunnel bridges.

Mr. Kardos responded that they do.

Commissioner Strunsky asked about the NFPA417 situation.

Mr. Kardos responded that the bid specifications require compliance with NFPA417 or the equivalent. We recognized that we would have an international bidding and we did not want to limit competition to US participants. Thyssen Elevator submitted documents that indicated the German equivalent to the NFPA. The Fire Marshal did a detailed review and accepted the document.

Commissioner Berman asked what our estimate was for this project.

Mr. Kardos responded that it was \$9.6 million.

#### Award of Contract No. 5620A - Communications Center Expansion - Lawrence Construction Co./West Bay Builders, Inc. A Joint Venture

No. 98-0091

Resolution awarding Contract 5620A, Communications Center Expansion, to Lawrence Construction Co./West Bay Builders, Inc., A J.V., in the amount of \$5,592,505.

The purpose of this contract is to remodel the entire Communications Center located in the North Connector to accommodate the expected increase in call volume, to expand services to the public such as paging and information, and to fully maintain emergency readiness for the increased size of Airport facilities as constructed by the Master Plan.

This project is part of the Master Plan. The Master Plan was the subject of a Program Environmental Impact Report ("EIR") which was prepared by the City and County of San Francisco Department of City Planning, Office of Environmental Review, and certified by the San Francisco Planning Commission on May 28, 1992, all in accordance with the requirements of the California Environmental Quality Act, Cal. Pub. Res. Code Sects. 21000 et seq ("CEQA) and Chapter 31 of the San Francisco Administrative Code.

Mr. Kardos explained that the purpose of this contract is to expand, remodel and upgrade to seismic standards the existing communications center in anticipation of the expected increase in services required as a consequence of the Master Plan Expansion Program.



On January 20, 1998 two bids were received. Both bidders are eligible for a 10% MBE bid preference. The baseline budget for the project is \$5,524,000. The low bid is 2.4% higher than the budget. Of the 4 deductive alternates, staff recommends the acceptance of D2 and D4.

The MBE/WBE goal is 19%/6% respectively. The Human Rights Commission is satisfied with the low bidders 15%/8% program supported by an appropriate good faith effort.

The protest filed by Transworld Construction was found to be without merit. We recommend award to the joint venture of Lawrence Construction Company/West Bay Builders, Inc. in the amount of \$5,592,505.

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 3 through 5 were adopted unanimously. Item Nos 3 and 4 were called together.

3. Modification No. 2 to Contract No. 3471- Purchase and Installation of Common Use Terminal Equipment - ARINC, Inc.

No. 98-0092

Resolution approving Modification No. 1 to Contract No. 3471, Purchase and Installation of Common Use Terminal Equipment with ARINC, Inc. to purchase and install a Flight Information Display System in the existing International Terminal. Not-to-exceed \$660,000.

Mr. Martin explained that this authorizes a contract modification with ARINC to install up-to-date flight information display systems in the International Terminal. The flight monitors in the International Terminal are out of date and very poor quality.

We negotiated with the Foreign Flag Carriers that own the existing system and agreed to buy out the unamortized value of the existing system. The new system that ARINC will install will continue to be used by new domestic tenants after the International Terminal airlines relocate to the new terminal. We will continue to have value when the terminal is converted to domestic use. These new flight monitors will be installed by the peak summer months.

Commissioner Quan asked if there was any M/WBE participation on Item No. 3.

Mr. Martin thought that MBE participation was included in their installation work. He said that ARINC has minority participation in their overall contract. There should be minority/women participation in this contract because their are installation costs.

He will get back to the Commission with the percentage.

4. Rental Credit to the San Francisco Foreign Flag Carriers - Flight Information Display



<u>System</u>

No. 98-0093

Resolution authorizing a rental credit to the San Francisco Foreign Flag Carriers in an amount not-to-exceed \$70,274 for the cost of the existing Flight Information Display System located inthe current International Terminal.

#### 5. Approval of SFO/San Mateo County Childcare Agreement

No. 98-0094

Resolution approving five-year agreement between San Mateo County and San Francisco International Airport in the amount of \$3.5 million.

Mr. Marcus Perro, Financial Services, explained that this agreement seeks to continue a valuable service for Airport employees. The Airport's contribution is approximately \$700,000 a year.

The Airport's funding provides about 26% of the budget. The agreement will be before the San Mateo County Council on April 14.

Commissioner Strunsky thought that this was a wonderful program.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 6 through 10 were adopted unanimously.

 Modification No. 3 to Professional Services Contract No. 5900GS - Geotechnical Engineering Services for Airport Roadway Projects

No. 98-0095

Resolution approving Modification No. 3 to Professional Agreement Services Contract 5900GS, Geotechnical Engineering Services for Airport Roadway Projects with GEI Consultants Inc., Roger Foott Division, to perform additional work at a cost of \$132,000 and to change the legal name of the subject consultant to GEI Consultant, Inc. The revised total contract amount of \$1,332,000 is within the Master Plan Baseline Budget of \$1,450,000.

## 7. Modification No. 2 to Contract No. 56011 - Utility Relocations, Phase VI

No. 98-0096

Resolution approving Modification No. 2 to Contract 5601I, Utility Relocations, Phase VI, to incorporate scope transfers from Contract 5601J. This is the final modification to Contract 5601I. Amount of the



Modification is \$148,027. The Budget for Contract No. 5601J will be reduced by \$148,027. There is no net change to the baseline budget.

# 8. Modification No. 1 Contract No. 5530B - Taxiways 'A' & 'B' Utilities Relocations to Roads R6 & R9

No. 98-0097

Resolution approving Modification No. 1 to Contract 5530B, Taxiways A & B Utilities Relocations to Roads R6 and R9, to perform construction work consisting of three work tasks, prior to construction of the Employee Parking Facility No. 3 at Plot 7, under Contract 5602A. Funds to be transferred from Contract 5601H, Utility Relocations, Miscellaneous Project Tasks.

Amount of Modification: \$45,000. The Budget for 5601H will be reduced by \$45,000. There is no net change to the Baseline Budget.

#### Modification No. 4 to Contract No. 5750CM - North Field Cargo Facilities -Construction Management Services Joint Venture Name Change

No. 98-0098

Resolution authorizing Modification No. 4 to Contract 5750CM, North Field Cargo Facilities Construction Management Services to change the Joint Venture name from MK & Associates (Morrison Knudsen Corp., AGS, Inc., and Luster Construction Management) to North Cargo CM (A Joint Venture of AGS Inc. and Luster Construction Management).

#### Modification No.1 to Contract No. 3524A - International Terminal Interim Improvements

No. 98-0099

Resolution approving Modification No.1 to Contract 3524A, International Terminal Interim Improvements, to perform construction work consisting of new facilities for the Immigration and Naturalization Services Passenger Accelerated Service System (INSPASS) and the relocation of tenant facilities.

Amount of Modification: \$232,200. \$177,200 for INSPASS to be funded from Capital Improvement Projects budget. The remaining \$65,000 covering the relocation of tenant facilities to accommodate ART construction to be transferred from the Contract 5700A budget. There is no change to the Master Plan Baseline Budget.



#### H. PUBLIC HEARING:

The public hearing was called to order at 9:40 AM. There being no comments from the public the public hearing was adjourned at 9:41 AM.

 Revisions to the Airport's Rules and Regulations Relating to Ground Transportation Operations & Fee Collection, Limousine Procedures & Charges and Off-Airport Car Rental Company Charges

Hearing to add, amend and delete various sections of Appendix B and D of the Airport's Rules and Regulations pertaining to ground transportation operations & fee collections, limousine procedures & charges and off-Airport car rental company charges.

Mr. Martin explained that this is a general clean up of the ground transportation rules and regulations. The most important changes relate to installation of AVI transponders on limousines and the imposition of the per trip fee on the limousines.

This item will be brought back to the Commission for final approval.

#### NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests to speak from the public.

#### J. CORRESPONDENCE:

There was no discussion by the Commission.

#### K. CLOSED SESSION:

The Commission did not go into closed session.

Dicsussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code



Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned

at 9:42 AM.

Jean Caramatti

Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION





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April 21, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO
WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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#### Airport Commission Meeting Minutes April 21, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Roland A. Quan, Vice President

Hon. Michael S. Strunsky Hon. Linda S. Crayton

Absent: Hon. Larry Mazzola

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 7, 1998 were adopted unanimously.

No. 98-0100

#### D. DIRECTOR'S REPORTS:

# Master Plan Quarterly Update

Report on the status of the Master Plan Projects as of March 15, 1998 in accordance with the Baseline Budget and Schedule.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that by the first quarter of 1998, the Airport awarded \$1.991 billion, or 77% of the program budget, excluding contingency and management reserve. In terms of construction only, a total of \$1.612 billion, or 87% of the budget has been awarded through the reporting period. New construction contract awards during the last quarter totaled \$309 million, \$79 million less than the corresponding budgets. Total contract awards during this quarter amounted to \$319 million including modifications in both construction and professional services.

Over the next six months we anticipate awarding approximately \$13 million in construction contracts. The total awarded percentages will remain at 77% of the program budget, or 87% of the construction budget ... both excluding contingency and management reserve.



Invoices approved since the last report totaled \$155 million, bringing the total invoiced amount to \$948 million, or 37% of the total current budget.

Contingency usage to date is \$53 million, or 36% of the budget compared to a completion level of 37% based on approved invoices. The current management reserve budget is \$120 million, a \$39 million increase from the previous report primarily due to bid underruns and transfers from close-out of environmental contracts. The current forecast for the management reserve budget at completion is \$106 million.

The total program reached 37% completion with 97% design completion and 36% construction completion.

The inclement weather conditions experienced during the first months of 1998 had a negative impact on the momentum of construction activities. The facilities most impacted were the road improvement projects, International Terminal steel erection, Boarding Area A curtain wall, and the ART guideway (piling and foundations) construction. The impact of the rainy period is presently under evaluation.

The project control system and project performance evaluation continues to be based on the milestone dates of the original baseline schedule. Assuming that acceleration of critical construction activities is feasible and economically justifiable, the May 2000 opening of the International Terminal Complex may be attainable. Currently, the International Terminal schedule shows a two-month slippage compared to the original schedule.

Boarding Areas A and G are proceeding on schedule for an August 1999 and April 1999 respective completion.

Both the elevated circulation roadways and the inbound/outbound ramps projects require selective acceleration to maintain the original schedule.

The ART Operating System supplier received the notice to proceed on March 17. Full passenger service is scheduled for December 15, 2001.

The three Securities and Special Systems contracts are in the design stage and have begun contract submittals and jobsite coordination.

In the area of job safety our actual rate of 6.38 for recordable incidents increased slightly compared to our last report, but is still below the 10.6 Federal average. Our lost time incident rate of 2.09 is meeting our goal of 50% of the 4.9 Federal average.

The MBE/WBE participation is 22%/5% respectively on the program level. A breakdown by the major sub-areas is presented in the report.

In summary, the Master Plan implementation program is proceeding on the basis of selective work acceleration to minimize the weather impacts while remaining within the baseline budget.

Commissioner Quan noted that there is a continuing concern regarding airline



revisions. He thought that was resolved.

Mr. Kardos responded that the concession and airline changes are negotiated on a work order basis. Although the Commission approved both the concession and airline initiated changes the final negotiated price has not yet been arrived at.

Commissioner Quan assumed that we were no longer accepting airline revisions.

Mr. Kardos responded that we are not. We are now in negotiations.

Commissioner Quan said that page 20 provided a summary and forecast for completion. He asked if we were over budget.

Mr. Kardos responded that our forecasting receives the budget allocations and during the next reporting periods the budgets will be allocated to cover the forecasted amounts.

Commissioner Quan compared the cost summary with the report presented three months ago and noticed that everything went up ... construction went up \$10 million, construction contingency went up \$12 million, OCIP was \$3.3 million, and design was \$3.6 million. He hoped that this was the only quarter with significant changes.

He was most concerned with OCIP because he thought we were within the budget.

Mr. Kardos responded that the OCIP increase reflects the increase in construction costs. Concession and airline initiated changes contributed to increases in construction.

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 and 3 were adopted unanimously.

2. Modification No. 5 to Contract No. 5750A - North Cargo Facilities Utility Trench

No. 98-0101

Resolution authorizing Modification No. 5 to North Cargo Facilities Utility Trench project and authorizing Director to accept work and make final payment to JMB Construction/Granite Rock Co., a Joint Venture. Amount of Modification is \$845,242, funded by project contingency funds. No net change to the project baseline budget.



Mr. Kardos explained that the purpose of the contract was to relocate the existing utilities in Plot 50 prior to the construction of the North Cargo building. The contract was awarded by the Commission in the amount of \$5,550,250. The Commission also approved a contingency budget of \$416,270.

During the course of construction additional work was required as a result of incomplete as-built information, unforeseen underground obstructions and contaminated soil removal.

The negotiated cost of this additional work totals \$1,234,301, exceeding the approved contingency budget by \$818,031. This excess amount will be funded by budget transfers from the Master Plan environmental abatement budget in the amount of \$269,214 and from the contingency budget of the follow-on contract in the project, Contract 5750B, North Cargo Facility/Apron in the amount of \$548,817. The budget for the overall project remains unchanged.

This modification brings the contract total to \$6,784,551 and will close out the contract.

Commissioner Strunsky assumed that this fits with the quarterly report and that Mr. Kardos is comfortable with the transfer of contingency funds.

Mr. Kardos responded that there is still 6% remaining in the contingency.

 Modification No. 3 to Contract No. 5515.3 - Design Services Expansion of Concessions and Airline Initiated Changes - Holmes & Narver

No. 98-0102

Resolution approving Modification No. 3 to Contract 5515.3 with Holmes & Narver, Inc., covering design services to incorporate changes to the Security & Special Systems project necessitated by the expansion of concession areas and changes initiated by the airlines. Amount of Modification is \$365,738. The modified contract amount of \$8,088,952 is within the baseline budget.

Mr. Kardos explained that the purpose of this contract is to provide design services for the security and special systems associated with the Master Plan facilities.

The base contract and two previous modifications approved the design services performed by Holmes & Narver, Inc. in three phases: conceptual design (\$547,000), preparation of construction bid documents (\$2,998,101) and construction administration (\$4,178,113).

This modification covers the revision of the security rough-in conduit drawing packages associated with the concession and airline initiated changes in the International Terminal and boarding areas. The negotiated fee for this work is \$365,738, bringing the total contract amount to \$8,624,810. The amount of this modification will be covered by the bid underrun of Contract 5515C.



The MBE/WBE participation of 21% remains unchanged.

The modification was approved by the Professional Services Fee Review Committee.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 4 and 5 were adopted unanimously.

4. Revisions to the Airport's Rules and Regulations Regarding Ground Transportation
Operations and Fee Collection, Limousine Procedures and Charges, and Off-Airport Car
Rental Company Charges

No. 98-0103

Resolution adding, amending and deleting various sections of Appendix B and D of the Airport's Rules and Regulations Pertaining to Ground Transportation Operations & Fee Colection, Limousine Procedures & Charges, and Off-Airport Car Rental Company Charges.

Mr. Martin reminded the Commission that this was heard at the last meeting as a Public Hearing. There were no comments from the public.

These revisions will place the limousine operators on the same level as other commercial operators in paying the same per trip fee.

Commissioner Berman asked if there was any intervention from the industry after the last meeting.

Mr. Martin responded that no phone calls or letters were received.

## 5. Restructuring of Public Auto Parking Rates

No. 98-0104 Resolution approving a simplified public parking rate structure.

Mr. Bob Rhoades, Deputy Director, Business and Finance said that last year the Commission approved the restructuring of garage rates. While the restructuring achieved what it was supposed to, the rate structure is so complex it is difficult for the public to understand. This resolution seeks to simply the rate structure in the garage and the long term parking lot. The rate is \$2.00 for every 20 minutes, up to \$22.00 for the first day. It's \$35.00 thereafter in the short term lot and the garage, up to five days when it goes to \$60.00.

By this summer we plan to implement a program whereby short term parkers will occupy the fifth level of the garage. Valet service will be implemented on the fifth level if necessary. A \$60.00 penalty beyond the 24 hours will discourage long term parkers.

Commissioner Berman asked how this interfaces with our contract for the garage.



Mr. Martin responded that it does not affect AMPCO's contract at all. One hundred percent of the revenue is passed on to the Airport and AMPCO is reimbursed for their costs. They receive a small percentage.

Mr. Rhoades added that AMPCO has a management contract.

Commissioner Quan asked if there is any way to publicize the \$60.00 disincentive.

Mr. Rhoades explained that a signage program is being developed both to discourage and forewarn.

## CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 6 through 12 were adopted unanimously.

 Modification No. 2 to Professional Services Contract 5613 - Geotechnical Engineering Services, North and South International Parking Garages, BART/ART Combined Structures and Rental Car Facility - Lot D - AGS, Inc./Woodward-Clyde Consultants/Ben C. Gerwick, Inc.

No. 98-0105

H.

Resolution approving Modification No. 2 to Professional Services Contract 5613, Geotechnical Engineering Services, North and South International Parking Garages, BART/ART Combined Structures and Rental Car Facility Lot D with AGS, Inc./ Woodward-Clyde Consultants/Ben C. Gerwick, Inc. to provide additional services for observation and monitoring of pile testing installation. Compensation not to exceed \$98,100. Of this amount, \$468,234 will be funded from the Airport's "up to \$200 million" contribution to the BART-SFO Extension project. The balance, \$29,866, will be funded from the Concourse H/ART Station, North and South Garage contingencies within the Baseline Budget.

7. Modification #1 to Airport Shuttle Bus Agreement - SFO Shuttle Bus Company

No. 98-0106

Resolution approving Modification No. 1 to the Airport Shuttle Bus Agreement with SFO Shuttle Bus Company to obtain six additional low-floor transit buses in Spring 1999, at an estimated annual cost of \$300,000 through the end of 2007.

8. Award of Contract for Center Island Skycap Services - Pacific States Airline Services, Inc.

No. 98-0107

Resolution awarding contract to Pacific States Airline



Services, Inc. to provide center island skycap services for a period of one-year, with four one-year options, commencing June 1, 1998 in the amount of \$300,000.

## 9. Award of Annual Report Graphic Design Contract - Morla Design

No. 98-0108

Resolution awarding contract for graphic design services for the annual report and airport publications to Morla Design in the amount not-to-exceed \$200,000.

Commissioner Strunsky asked if Morla did the last annual report.

Mr. Martin responded that Morla Design did the annual report three years ago. Tenasas Design did the last two annual reports.

### Award of Contract to Conduct an Air Passenger Ground Access Survey - Godbe Research & Analysis

No. 98-0109

Resolution awarding contract to conduct an Air Passenger Ground Access Survey to Godbe Research & Analysis in the amount of \$106.915.

# 11. Acceptance of Additive Alternate and Modification No. 1 to Contract No. 1875R International Terminal Lighted Sign - Northern Sign Systems, Inc.

No. 98-0110

Resolution exercising option to accept the Additive Alternate and approving Modification No. 1 to Contract 1875R, International Terminal Lighted Sign, with Northern Sign Systems, Inc., to increase amount by \$55,500.

The scope of the Additive Alternate is five years of maintenance service, to begin upon expiration of the one year warranty and maintenance agreement which is included in the scope of the Base Contract.

# 12. <u>Modification to Contract with the Corporation of Fine Arts Museums Conservation</u> <u>Laboratory Contract</u>

No. 98-0111

Resolution approving modification to contract with the Corporation of Fine Arts Museums Conservation Laboratory by increasing the amount by \$20,000 for additional conservation for exhibitions and the Airport Commission's permanent collection.



#### NEW BUSINESS:

1.

K.

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were requests to speak from the public.

#### J. CORRESPONDENCE:

There was no discussion by the Commission.

#### CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The closed session was convened at 9:20 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Air Transport Association of American et al v City and County of San Francisco, Human Rights Commission and Airport Commission.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

### L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting was adjourned at 9:20 AM.

Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



MINUTES

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May 19, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO
WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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#### Airport Commission Meeting Minutes May 19, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Roland A. Quan, Vice President

Hon. Linda S. Crayton Hon. Larry Mazzola

Absent: Hon. Michael S. Strunsky

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 21, 1998 were adopted unanimously.

No. 98-0111

\* \* \*

#### D. SPECIAL ITEM:

### 1. Airline Employee Certificates of Merit

Presentation of Certificates of Merit to three American Airlines employees, Matt Leavitt, Darrell Miller and Mark Howard, and two United Airlines employees, Emille Estrada and Suzette Haines, who successfully captured and held two criminal suspects who attempted to hijack a United van on the airfield.

Mr. John Martin, Airport Director explained that commendations are being presented to five employees of United Airlines and American Airlines. These employees, without regard for their own safety, assisted in the capture of two criminal suspects who had breached security and were out on the airfield side of the Airport in an attempt to avoid capture by the police.

Mr. Ron Wilson, Director of Community Affairs, explained that on the morning of April 7, 1998 a pick up was stolen by three individuals in San Francisco and proceeded south on Highway 101 in a high speed chase, pursued by the Highway Patrol.

The suspects entered the Airport and proceeded to the lower level roadway where



the driver failed to negotiate a turn and crashed. Two of the three suspects jumped from the vehicle, ran to Courtyard No. 3 and scaled a security fence. They ran out onto the airfield in the vicinity of an American Airlines boarding area in the vicinity of Gate 66.

These employees witnessed this and proceeded, one at a time initially, to pursue these individuals, knowing that they were up to no good, and surround them. The suspects attempted to carjack a United van in an attempt to escape. The employees tackled and held the suspects.

Had the suspects managed to escape onto an active taxiway or the airfield, the van could have easily collided with an airplane resulting a major disaster

These employees placed the safety of the Airport, its passengers and employees first by disregarding their own safety. There act of bravery was far and above the call of duty. They deserve all the thanks and congratulations we can give them

Commissioner Berman thanked and commended all five employees for their service. . .

Mr. Martin presented each employee ... Suzette Haines, Mark Howard, Matt Leavitt, Darrell Miller, and Emille Estrada ... with a certificate of merit.

#### E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 and 3 were adopted unanimously.

 Modification No. 1 to Contract No. 5650B - Quick Turn Around (QTA) at Rental Car Facility on Lot D - Dennis J. Amoroso Construction Company, Inc./Marinship Construction Services, A Joint Venture

No. 98-0112

Resolution approving Modification No. 1 to Contract 5650B, Quick Turn Around (QTA) at Rental Car Facility on Lot D, Dennis J. Amoroso Construction Co., Inc./Marinship Construction Services, A Joint Venture, in the amount of \$1,996,200, for work related to the change of foundations, additional work, and costs associated with recovering lost time. The increased contract amount of \$12,703,200 remains within the baseline budget allocation.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction, explained that the purpose of the contract is to construct the Quick Turn-Around facility consisting of



facilities for fueling, car washing, vacuuming and other support functions for the rental car center on Lot D. The contract was awarded to D.J. Amoroso/Marinship Joint Venture in November 1997 for \$10.7 million.

During the excavation in February, the contractor encountered unusually saturated and unsuitable soils and requested a field investigation by the geotechnical engineer. The resulting investigation discovered some deficiencies leading to the re-design of the foundation system. The removal of the unsuitable soil and replacement of the foundation system, combined with the accelerated construction and some changes requested by the Rental Car industry, resulted in the change order that is the subject of this modification.

The negotiated amount of the modification is \$1,996,200. It has been reviewed and approved by the Airport's auditors and the Master Plan Advisory Board. The increased contract amount of \$12,703,200 remains within the \$15 million initial construction budget.

The MBE/WBE participation remains 13%/6% as in the base contract.

Commissioner Quan noted that the letter mentioned that Airport staff is reviewing a "lack of communication" and assumed that staff would follow up on this issue.

Mr. Kardos responded that staff is in the process of finalizing the investigation.

#### 3. Modification No. 5 to Master Plan Airline Liaison Office Agreement

No. 98-0113

Resolution approving Modification No. 5 to the Master Plan Airline Liaison Office Agreement to provide additional compensation of \$70,000 for FY 1997/98, extend the agreement to June 30, 1999 and increase compensation by \$966,000

Mr. Bob Rhoades, Deputy Director, Business and Finance noted that there is an error on line 2, page 2 of the memorandum. The amount is listed as \$845,000 but should read \$966,000.

The Airline Liaison Office has been providing technical support on behalf of the airlines since 1994. The ALO was originally formed when it was recognized that the airlines no longer had a technical staff that could be on-site as we moved forward with the program, thereby causing considerable delay to the review process.

The ALO has performed very well over the last four years.

The resolution seeks approval for the 1998/99 budget as well as an adjustment to the 1997/98 budget of approximately \$70,000 which covers the cost of relocating the ALO office.

Commissioner Berman noted that the scope of work has been increased and asked if cost recovery from the airlines is possible.



Mr. Rhoades responded that the additional scope of work is the recognition that the level of work, especially as the International Terminal activation portion is concerned, really drives the budget the next fiscal year as well as the fiscal year thereafter.

Mr. Martin added that he wanted the airlines to be involved as we install equipment and certify that it functions properly so that they are on the hook along with Airport staff.

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 4 through 9 were adopted unanimously. Item Nos. 4 and 5 were called together. Commissioner Berman was recused from voting on Item No. 6.

4. Resolution Authorizing the Issuance of Refunding Bonds

No. 98-0114

Seventh supplemental resolution authorizing the issuance of up to \$1.4 billion in second series refunding bonds, and authorizing a public hearing pursuant to Internal Revenue Code Section 147(F) regarding the Commission's bond issuance program.

Mr. Rhoades explained that interest rates continue to be low, although they are not as low as they were in January. These two resolutions seek the Commission's approval to authorize \$2.146 billion in refunding bonds. Currently, the true interest rate for the bonds collectively is 5.88%.

By having blanket authority it allows staff to move quickly as the market conditions change. This is also true of Item No. 5.

Currently, there is \$230 million in bonds that are eligible for refunding, which is based on our Issue 16 at 5.18. Since market conditions change rapidly, we want to be poised to take advantage of conditions as they change.

Under the current scenario, if we were to refund at \$230 million we would realize a gross net savings of approximately \$13 to \$18 million, with a present value savings of between \$11 and \$12 million.

Commissioner Quan assumed that we don't have to issue all of the bonds once they are authorized. He asked if there was a time limit.

Mr. Rhoades responded that it is a three year period.

Commissioner Quan asked if we would be locked into a fixed interest rate in that three year period.

Mr. Martin responded that we would not.

Mr. Rhoades explained that this refunds up to \$1.46 billion, however, there are



certain threshholds that will have to be achieved in order for us to attempt to do that, one of which is a lower interest rate than the bonds were originally issued for.

### 5. Supplemental Appropriation for Refunding Bond Proceeds - \$1.46 Billion

No. 98-0115

Commissioner Berman was unanimously recused from voting on Item No. 6. Item No. 6 was adopted unanimously.

#### 6. Selection of Consultant for Runway Reconfiguration Study and Plan

No. 98-0116

Resolution approving staff's recommendation of URS Greiner to prepare a Runway Reconfiguration Feasibility Study and Plan for SFIA and authorizing staff to negotiate a scope of work and contract with URS Greiner to perform the study.

Mr. John Costas, Deputy Director for Planning and Environmental Affairs, explained that the runway study effort is proceeding on schedule. The Airport will conduct a partnering session with five different constituencies and stakeholder groups on June 5.

To accomplish the technical work that needs to be done on the study, a request for qualifications was issued and five statements were received from: HNTB Corp., Landrum and Brown, Leigh Fisher Associates, Ricondo & Associates, and URS Greiner.

On April 16, a staff selection panel made up of our Operations, Engineering, Environmental and Planning staff reviewed the qualifications and conducted interviews. Two firms, HNTB and URS Greiner, received identical scores ... 614 points out of a possible 700 points. The next closest score was 557 points.

The panel recommended a second interview be conducted with the Director. At the conclusion of that interview, and with the panel's recommendation, URS Greiner is being recommended to conduct the study.

URS Greiner has seven major certified local MBE and WBE firms on its team.

Commissioner Berman, on the advice of the City Attorney, asked to be recused from discussing and voting on this item due to the large amount of stock he holds with the company.

7. <u>Authorization to Accept Qualifications/Proposals and Bid Documents for the New International Terminal Post-Security Master Retail/Duty Free Concession Lease</u>

No. 98-0117

Resolution approving the lease specifications and



authorizing staff to accept qualifications/proposals and bid documents for the New International Terminal Post-Security Master Retails/Duty Free Concession Lease

Mr. Rhoades explained that this is the major retail lease located post security in the new International Terminal. It consists of approximately 52,000 sq. ft. of retail and duty free space, with 25 locations, including 2 pre-security facilities. The proposed term is 10 years with two-one year options. There is a mid-term refurbishment program of one half the initial investment. The subleasing goals for this contract is 30% of retail space with four different DBE companies. The minimum acceptable bid is \$25 million.

This program proposes that bids will not be accepted until January 1999. This gives bidders time to establish a downtown location, as required by the specifications.

This is a two envelope process where bids and proposals are accepted at the same time. The bids are locked up and the proposals will be reviewed by a panel. Those who are qualified will have their bids opened.

Mr. Rhoades explained that this is the major retail lease that is post security in the new International Terminal. It consists of approximately 52,000 sq. ft. of retail and duty free space, 25 locations, including 2 pre-security facilities. The proposed term is for 10 years with two-one year options. There is a mid-term refurbishment program of one half the initial investment. The subleasing goals for this contract is 30% of retail space with four different DBE companies. The minimum acceptable bid is \$25 million.

8. Approve Proposal of Host, International, Inc., Reject Proposal of Brookstone, Inc. and Authorize Director to Negotiate Minimum Annual Guarantee for North Terminal Concession Opportunity Lease

No. 98-0118

Mr. Martin explained that the most valuable space under this lease was space that was originally put out to bid as a specialty store. We were specifically trying to get specialty retailers who do not have a presence in the Airport. Despite the fact that it is probably the best space in the Airport, we received no bids. Staff believes that the City regulations frightened away those retailers who are accustomed to dealing in a shopping mall environment. As a result, this was repackaged for our more traditional bidders with the requirement to bring in specialty retailers as sublessees.

Mr. Rhoades explained that two proposals were received ... one from Host International and the other from Brookstone, Inc. The Brookstone proposal was deemed not to be qualified because it did not have a subleasing program. The Host proposal is qualified. Host proposes to sublet 57% of the facilities to DBEs, exceeding the Airport's 30% requirement, and will bring in a major mall retailer.

Going through the bid process no longer makes sense with just one bidder, so a



minimum annual guarantee will be negotiated. The minimum annual guarantee, as it was written in the specifications, was \$800,000 in the first year of the contract.

Mr. Martin added that we would have expected Duty Free Shoppers to bid on this lease, but given the Asian economic crisis, which was especially severe for their Hawaiian operation at the time, we believe that they were distracted in dealing with that situation and at the last minute decided not to submit a bid.

Commissioner Quan noted that the memo indicated that the Human Rights Commission was reviewing the benefits and workforce plan as submitted by Host. He asked if that was still in process.

Mr. Rhoades responded that it is. We don't anticipate any problems.

9. <u>Authorization to Conduct Pre-bid Conferences for Small Business Enterprise</u> Concession Leases and Specialty Retail Concession Leases

No. 98-0119 No. 98-0120 Resolution authorizing pre-bid conferences for four individual Small Business Enterprise (SBE) Concession Leases for the new International Terminal; and six individual Specialty Retail Concession Leases for the new International Terminal.

Mr. Rhoades explained that in keeping with our International Terminal Concession Development Program, this item seeks approval to hold pre-bid conferences for ten different contracts ... four individual Small Business Enterprise concession leases and six individual specialty retail leases.

This is the first part of our SBE program. There will be at least five SBE opportunities in this new building.

Commissioner Quan asked if SBE concessions were being limited to no more two per individual.

Mr. Rhoades responded that any DBE who bids for SBE opportunities will be limited to winning two.

Commissioner Quan asked why we were limiting it to two? Why can't we limit it to one?

Mr. Martin said that limiting it to one would insure greater diversity in the number of small business operators.

Commissioner Crayton recommended leaving it at two.

Commissioner Berman said that two would provide synergy.



#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 16 were adopted unanimously.

#### Modification No. 1 to Contract No. 5601J - Utility Relocations, Phase VII S.J. Amoroso Construction Company

No. 98-0121

Resolution approving Modification No. 1 to Contract No. 5601J, Utility Relocations, Phase VII, to perform electrical utility relocation work for Contract 5602A. Amount of the Modification is \$130.191.

The funding for this Modification is provided from Project 5602, a Non-Master Plan Project. There will be no change to the Master Plan Baseline Budget.

# 11. Award of Contract No. 3949 - On-Call Pavement Overlay and Reconstruction - 1998 Oliver Transbay/Ghilotti Brothers Construction, Inc., A joint Venture

No. 98-0122

Resolution awarding Contract 3949, On-Call Pavement Overlay and Reconstruction - 1998, to the lowest responsive, responsible bidder, Oliver Transbay/Ghilotti Brothers Construction, Inc., A joint Venture, in the amount of \$699,325.

# 12. <u>Bid Call - Contract 3997 - As-Needed Telecommunications Construction/Repairs - 1998-1999</u>

No. 98-0123

Resolution approving the scope, budget and schedule for Cotnract 3997, As-Needed Telecommunications Construction/Repairs, and authorizing the Director to call for bids when ready.

# 13. Modification No. 7 to Legislative Advocacy Contract with Kenyon and Edelstein

No. 98-0124

Resolution approving Modification No. 7 in the amount of \$15,000 for the Kenyon and Edelstein State Legislative Advocacy Contract.

## 14. Authorization to Receive Bids - North Terminal Apparel Boutique Lease

No. 98-0125

Resolution approving lease specifications and authorization to receive bids for the North Terminal Apparel Boutique, a Small Business Enterprise Set-Aside.



#### 15. Design Review - Boarding Area "F" Newsstand

No. 98-0126

#### 16. Design Approval - Cellular Phone Rental Service Lease

No. 98-0127

\* \* \*

#### I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

The following remarks were taken verbatim from the tape of the meeting.

MR. JOHN DARMANIN: My name is John Darmanin. I would like to give you some background information real quick before I comment on some serious safety conditions at SFO. I have been silent for 18 months but I think it is important that I come here and initiate some thought by this Airport Commission. I think you have been left in the dark on some serious safety concerns at the Airport.

I am here to speak as a private citizen. I have been a member of the San Francisco Fire Department since 1982. I was assigned to the SFO Airport Fire Department in 1986. In 1995 I was promoted to the rank of Airport Fire Operations and Training Officer. It was my job to present, promote, justify Airport fire-related capital projects, including new fire station construction and equipment. It was also my responsibility to justify budget requests, to fund fire staffing increases and fire training budgets to meet FAA guidelines.

During that time an adversarial relationship developed between the Airport budget office and the Airport Fire Department which basically stalled our efforts to maintain an acceptable level of safety at SFO.

In October 1996, after several years of this adversarial relationship, an audit was ordered by Airport Director John Martin to conduct a fraud investigation into Fire Department activities. At John Martin's request, the civilian secretary working for the Airport Fire Department, the Airport Fire Chief with 34 years of unblemished record of service with the San Francisco Fire Department and myself were removed from our positions at the Airport Fire Department before the so-called audit began.

The audit investigation of wrong-doing began in October of 1996 and found no evidence of wrong-doing. Nothing. The audit initiated by Director John Martin cost over \$80,000 in outside auditing fees by Coopers and Lybrand. Which I think is exorbitant, to say the least. It also cost several hundred thousand in salary cost for Airport and City staff to conduct internal investigations which are on-going to this day ... nearly 18 months later.



The audit initiated by John Martin has also resulted in several EEOC investigations and at least two lawsuits asking for seven figure damages.

That is my prepared background information. The reason you needed to know that is because I'm not here to talk about that information ... but it is important that you know that. What I'm here to say is that the reason the audit came about to begin with was because the Fire Department was unwilling to compromise on safety issues that required the Fire Department to ask for staffing increases, equipment that we desparately needed and still need, as well as fire station projects. I'm glad to see the fire station projects did go ahead, even though they were delayed. However, there was a temporary fire station project that was a matter of contention with Airport Administration that they did not want to build. As it turned out they did not build that temporary fire station.

The reason all these requests were made were to maintain the level of fire service to this Airport ... that San Francisco International Airport deserves, that the people of San Francisco deserve as well as the traveling public coming in and out of San Francisco.

Those were my marching orders from the very first day that I started as Airport Operations Officer and Training Coordinator. That was my primary concern to make sure that safety levels were improved and enhanced ... not to allow them to deteriorate.

Response times at San Francisco International Airport ... despite whatever numbers that the Airport Administration wants to cook, have suffered greatly. Not just because of the Airport Master Plan, which seems to be the normal excuse that Airport Administration uses for response times. Our response times have been hurting steadily and getting worse since 1972, which was the last time that the Airport Fire Department had a staffing increase. It has not kept up with the passenger flow in and out of SFO. In fact, in 1972 we had approximately 18 or 19 million passengers. Just recently, and Ron Wilson can verify this, I think we're up to about 40 million plus without a staffing increase. That's outrageous.

Our staffing on the fire trucks at the Airport are grossly under that of the City and County of San Francisco proper. That's outrageous. That's because the Airport Administration budget office in particular, this current administration, following Lou Turpen's exit, has cooked the numbers to give everyone the false impression of safety at the Airport. We are not safe.

When response times take in excess of 12 to 14 minutes in some cases, that are documented, to reach someone that has had a heart attack, I think that is inexcusable.

We, from the beginning when I took this job, explained the wrongs that we had in response times. They were a problem then and were just going to get worse with the Master Plan. That was over 2-1/2 years ago. We warned everyone ... in fact, I think everyone in this room that works in Airport Administration, including Bob Rhoades and some others that I see behind me, have heard me speak on the dangers of the response times falling. We got a lot of lip service regarding a temporary fire station that we were going to get. We got a lot of lip service about increases in staffing. And a lot of delay tactics were used.

I think it is inexcusable that the people responsible for this, starting at the top with Airport



Director John Martin, should be ashamed of themselves. I don't see how they can live with themselves. Knowing what I know and what several other people in the Fire Department know, I think it is outrageous.

Just last month I was officially removed as Airport Operations Officer. No surprise to me. No shock whatsoever. Because I refused to be a lap dog. I'm still proud of the way I conducted myself. But I'm sure that the Airport Administration cannot say the same thing.

It will come out in the wash. There are several lawsuits pending. That is why I don't want to discuss that. I'm sure you are not at liberty to discuss it. Especially since some of the people named in the lawsuit are here.

It is just outrageous that this has been allowed. The only reason I am here right now is is to ask you to look at the response time problems that are occuring at the Airport because even though I might not use that Airport any longer, there are people that I do know that use the Airport. The problems still exist. Anything you would like to know in terms of dates, times, places, and people who have either been injured or have died because of lacking response times, I would be happy to provide that information to you.

Quite frankly, I don't think you're going to get that information from your staff, or, if you have been getting it then shame on you as well for not doing something about it.

COMMISSIONER BERMAN: I would like to set the record clear. You made very strong personal attacks and accusations and criticisms here. Are you still with the Fire Department?

MR. DARMANIN: Yes.

COMMISSIONER BERMAN: Are you here as an official of the Fire Department?

MR. DARMANIN: I'm here as a private citizen.

COMMISSIONER BERMAN: I'm not without some knowledge of what goes on in the Fire Department. I was a Fire Commissioner for many years.

I'm not going to pass any judgment or criticism or approval of anything you have said here. It raises some serious questions. I think that possibly there ... should there be a closed session on this situation?

MARA ROSALES: Yes. We can calendar it for the next meeting.

MR. DARMANIN: I appreciate it.



COMMISSIONER BERMAN: I don't care whether you appreciate it or not. You used some very strong language, which I take offense at. We are going to look into it, notwithstanding your use of some personal accusations. If there is a safety problem then we want to address it properly.

MR. DARMANIN: My intent was not to give offense but just to bring it to your attention. I think I've done that. I appreciate your time. Any information that you may require to back up my allegations, I would be happy to provide them for you.

COMMISSIONER BERMAN: We'll know where to get them.

#### J. CORRESPONDENCE:

There was no discussion by the Commission.

#### K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed.

The Commission voted unanimously to go into closed session. The closed session was convened at 9:38 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a)(1) to confer with legal counsel regarding the settlement of the Markair Bankruptcy Claim; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 9:50 AM. The Commission determined that it was not in the public interest to disclose the nature of the Closed Session and voted unanimously not to disclose it.

#### L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:51 AM.

Jean Caramatti

Commission Secretary

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## MINUTES

JUNE 2, 1998 9:00 A.M.

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401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

#### **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN Airport Director

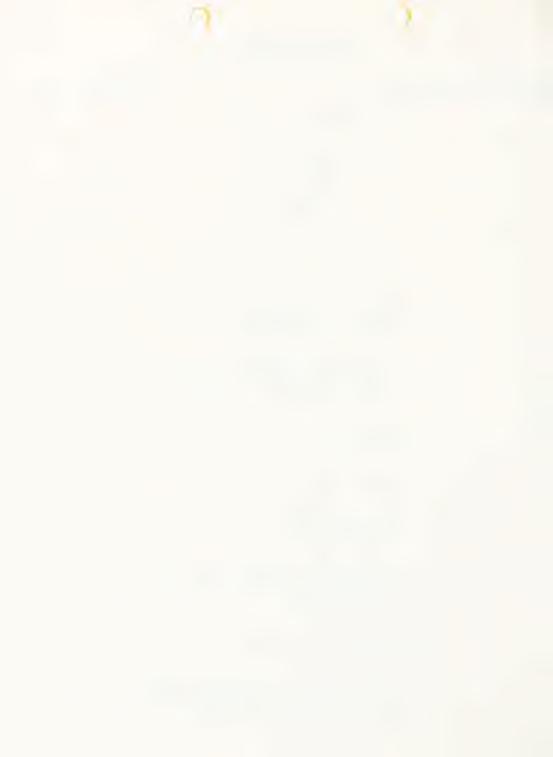
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#### Airport Commission Meeting Minutes June 2, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

ROLL CALL:

B.

Present: Hon. Henry E. Berman, President

Hon. Roland A. Quan, Vice President

Hon. Michael S. Strunsky

Hon. Larry Mazzola

Hon. Linda S. Crayton arrived at 9:03 AM after the roll

call.

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 19, 1998 were adopted unanimously.

No. 98-0129

D. ANNOUNCEMENT BY SECRETARY:

In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced

unanimous adoption of Resolution No. 98-0128 regarding the settlement of the Markair Bankruptcy Claim at the closed session of May

19, 1998.

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 and 2 were adopted unanimously.

1. Modification No. 6 to Contract No. 5500E - International Terminal General Construction -



#### Tutor-Saliba/Perini/Buckley, A Joint Venture

No. 98-0130

Resolution approving Modification No. 6 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba/Perini/Buckley, A Joint Venture, in the amount of \$1,948,062, for work transferred from adjacent/preceding contracts, design changes to facilitate construction, unanticipated conditions, and change impact mitigation. Funding will be provided from the project contingency, except for those funds transferred from adjacent/preceding contracts.

Mr. Tom Kardos, Deputy Director, Bureau of Building and Construction explained that this modification consolidates four change orders totaling \$1,948,062. It is the administrative follow-up to previously reported forecasts presented to the Commission in the quarterly reports of January and April of this year. Of the \$1.95 million, \$413,377 are being transferred from Utility Contract No. 5601.I covering the relocation of an electrical ductbank in Courtyard No. 1

The other changes relate to various unanticipated field conditions, e.g. security, temporary power, underground conditions and novations impacts, as well as some selected acceleration to mitigate potential schedule impacts.

The cost of these changes will be covered out of contingency funds. The combined MBE/WBE goal of 10.3% remains as in the base contract.

Commissioner Berman asked who will be responsible for the shortcomings in the construction documents.

Mr. Kardos responded that the designer is responsible. We are pursuing potential recovery.

Commissioner Strunsky noted that there was nothing that changes the forecast. This is a formalization of the quarterly forecast.

Mr. Kardos explained that these were contained in the last two quarterly reports.

Commissioner Quan asked what the statement "does not include known and potential changes" on Attachment A meant.

Mr. Kardos responded that it means that construction is not finished and that the contingency budget contains \$56 million as of today.

Commissioner Strunsky said that he understood that the \$56 million has been spent in the forecast but it has not been allocated.

Mr. Kardos said that that was correct.

Commissioner Crayton asked if we are in trouble.



Mr. Kardos responded that we are not in trouble according to the present forecast.

 Acceptance of Gift of Architectural Services, Award of Professional Services Contract and Approve Construction Budget for the Aviation Library, Archive and Museum - Fong and Chan Architects

No. 98-0131

Resolution accepting a gift of architectural services from Fong and Chan Architects valued at \$260,000 for design and construction of the Aviation Library, Archive and Museum in the new International Terminal, and awarding a contract in the amount of \$125,000 to Fong and Chan Architects to cover costs for sub-consultants, printing, and other out-of-pocket expenses in connection with the pro bono services. Resolution also approves the \$3.5 million construction budget, subject to airline approval.

Mr. John Martin, Airport Director explained that Fong and Chan has very generously donated their services for the design of the new Aviation Library, Archive and Museum.

Mr. Kardos explained that on October 15, 1991, the Commission authorized the creation of an aviation library, archive and museum at the Airport. The facility, although a part of the new International Terminal, had no funds budgeted for its implementation. Fong and Chan Architects, a highly successful architectural firm in San Francisco offered to perform the design of the facility pro bono.

The firm started its business career by its two principals acting as Associate Master Architects assisting Howard Friedman, the Master Architect, in 1982 during the Airport's Terminal Reconstruction Program. They feel that they owe their company's present success to Howard Friedman and the Airport Commission. To express their appreciation, they offered the proposed pro bono architectural services.

This agenda item accepts the gift of architectural services and awards them a contract for \$125,000 to cover sub-consultant fees and other out-of-pocket expenses. The probono architectural services are conservatively valued at \$260,000. The construction budget is \$3.5 million.

Due to the unusual nature of the contract and the fact that Fong and Chan is an MBE/WBE firm, no MBE/WBE subcontracting goal is set for the contract.

Commissioner Strunsky asked if the \$125,000 will come out of Capital Improvement Funds or is it part of the Master Plan budget.

Mr. Kardos responsed that it will come out of Capital Improvements.

Commissioner Quan asked if the Museum will be able to house everything.

Mr. Martin responded that it will be able to house everything in the Aviation Museum but not the Landor Collection or several other collections the Museum staff draws on for exhibitions. Those items will be stored on another part of the Airport.



Commissioner Strunsky said that this is an amazingly generous offer.

Commissioner Berman asked the Director to extend the Commission's sincere thanks and appreciation to Fong and Chan Architects.

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 3 through 5 were adopted unanimously.

3. \$72,093,004 Supplemental Appropriation of Interest Income

No. 98-0132

Mr. Bob Rhoades, Deputy Director for Business and Finance explained that this item seeks Commission approval to request a supplemental appropriation in the amount of \$72,093,004.

The Lease and Use Agreement between the Airport and the airlines requires that interest earnings on capital must be used for approved Capital Projects. Also, the use of bond interest income must be used to fund the near term Master Plan and infrastruture projects as well as the use of commercial paper for infrastructure projects.

We are coming to the Commission slightly in advance of the close of the fiscal year. Under tax law, commercial paper has to be stamped within a two year window and that was issued in July 1997. Normally this appropriation would be received sometime after the close of the fiscal year, however, that delays us in our obligation to spend. We also want to make sure that we have a positive arbitrage.

Commissioner Strunsky asked if we were appropriating money to ourselves. This is money that has been sitting in City accounts and drawing interest and that interest must come back to the Airport so that it can be effectively spent on Airport projects.

Mr. Martin said that this is purely a process item.

4. Approval of Reimbursement to United Airlines, Inc. for Construction and Renovation of North Terminal Public Restrooms

No. 98-0133

Resolution authorizing reimbursement to United Airlines in an amount not to exceed \$6,750,000 for construction and renovation of North Terminal restrooms, including construction of two new public restrooms, to implement ADA and other code compliance.

Mr. Rhoades explained that we are currently in the process of renovating the North Terminal. The work includes painting, carpet replacement and upgrading restrooms to comply with ADA standards.



United Airlines is currently involved in a project in the North Terminal and has agreed to take over the renovation of the existing restrooms as well as the addition of new restrooms. This item seeks to reimburse United for the work it will perform on behalf of the Airport. The project has an M/WBE participation of 19%.

Commissioner Berman asked if the Airport has any input or supervision over the plans, construction and work.

Mr. Rhoades explained that United will use our plans. They are doing the work for us.

Commissioner Mazzola asked who will monitor whether the employees will be paid the prevailing rate.

Mr. Martin responded that the Prevailing Wage Unit will monitor the contract. The contractor is subject to the prevailing wage requirement of the City.

Commissioner Strunsky asked if this was a Capital Improvement or Master Plan project.

Mr. Rhoades responded that the work is a Capital Improvement.

5. <u>Authorization to Seek, Accept and Expend Funds from the Bay Area Air Quality</u>
<u>Management District for Scheduled Operator Compresed Natural Gas (CNG) Vehicles</u>

No. 98-0134

Resolution authorizing staff to seek, accept, and expend funds from the Bay Area Air Quality Management District to conduct a demonstration program providing an incentive to scheduled service operators to replace a portion of their gasoline and diesel fleets with clean Compressed Natural Gas (CNG) vehicles.

Ms. Alice Sgourakis, Landside Operations, explained that the purpose of this item is to request authorization for staff to seek, accept and expend funds from the Bay Area Air Quality Management District to provide incentives to scheduled bus operators to replace portions of their gasoline and diesel powered vehicles with CNG vehicles.

The scheduled bus operation will be required to use our CNG fueling station on the Airport to the maximum extent possible. That station is scheduled to be operational by the end of the year.

The Airport will administer the program but there will be no Airport funds required for it nor will the Airport have any ownership interest in the CNG vehicles.

Commissioner Berman asked how much funding is involved.

Ms. Sgourakis responded that that depends on the number of vehicles involved, but we estimate between \$200,000 and \$250,000.

Commissioner Crayton asked if additional personnel will be required to administer this program.



Ms. Sgourakis responded that no additional staff will be required.

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 6 through 17 were adopted unanimously. Item No. 13 was removed from the calendar.

 Modification No. 1 to Contract No. 5500.5 - Professional Services Agreement for Material Testing and Inspection for the International Terminal General Construction Consolidated Engineering Laboratories

No. 98-0135

Resolution approving Modification No. 1 to Contract 5500.5 with Consolidated Engineering Laboratories for Professional Services fees covering additional material testing and inspection for the International Terminal General Construction in the amount of \$2,021,702.

Funding will come from non-Master Plan Concessions budget (CIP funded), Master Plan Management Reserve, non-Master Plan BART funds, and a transfer from Contract 5500F, Baggage Handling System.

7. <u>Modification No. 1 to Contract 5500.4 - Professional Services Agreement for Material Testing and Inspection for the International Terminal Structural Steel Smith-Emery Co.</u>

No. 98-0136

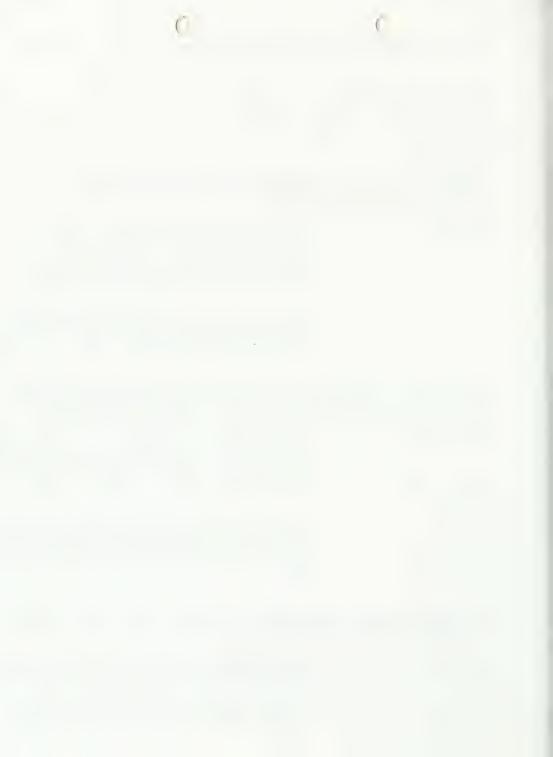
Resolution approving Modification No. 1 to Contract 5500.4 with Smith-Emery Co. for Professional Service fees covering additional material testing and inspection for the International Terminal structural steel in the amount of \$1,758,531.

Funding will come from non-Master Plan Concessions Budget (CIP funded), Master Plan Management Reserve, non-Master Plan BART Funds, and transfers from Contract 5520E, Boarding Area G and 3847, West Field Detention Basin.

8. <u>Modification No. 2 to Contract No. 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon, a Joint Venture</u>

No. 98-0137

Resolution approving Modification No. 2 to Contract 5900D, Elevated and Surface Circulation Roadways, with Myers/Kulchin-Condon, a J.V. Modification includes work tasks transferred from two Near-Term Master Plan Contracts: 5700B, ART Guideway-Westside, and 5601H, Utilities Relocations, in the total amount of \$1,710,216.32.



Transferred work and budget are included in the Master Plan Baseline Budget. This modification represents no change to the Baseline Budget.

9. Reimbursement to United Airlines, Inc. for Environmental Investigation, Remediation and Related Expenses on Plot 7X

No. 98-0138

Resolution authorizing reimbursement to United Airlines in a not-to-exceed amount of \$220,000 for soil remediation on Plot 7X

10. Award of Contract No. 3967 - Parking Garage Taxi Lot Ventilation Improvement O'Keeffee Mechanical Company

No. 98-0139 Resolution awarding Contract 3967, Parking Garage Taxi

Lot Ventilation Improvement, to O'Keeffee Mechanical

Company in the amount of \$89,800.

11. Award Professional Services Contract for FAR Part 161 Study - Harris Miller Miller & Hanson, Inc.

No. 98-0140 Resolution awarding Professional Service Contract for FAR

Part 161 Study to Harris Miller Miller & Hanson, Inc. to complete a FAR Part 161 Study to expand Stage 2 aircraft operating restrictions. Contract Amount: \$205,000.

12. Modification No. 8 to Legislative Advocacy Contract with Kenyon and Edelstein

No. 98-0141 Resolution approving Modification No. 8 to Legislative

Advocacy Contract with Kenyon and Edelstein in the

amount of \$60,000.

Commissioner Crayton thought that this item appeared at the last meeting.

Mr. Peter Nardoza, Deputy Director for Governmental Affairs explained that at the last meeting the Commission acted on an item that approved a contract modification for the current fiscal year. That modification covered extra services required by the Mayor's Office. This item seeks to extend the contract through the next fiscal year.

Item No. 13 was removed from the calendar.

13. Modification No. 1 for Advocacy Services Contract in Washintgon, D.C. with Smith, Dawson, and Andrews

Resolution approving Modification No. 1 to Contract with



Smith, Dawson, and Andrews for Advocacy Services in Washington, D.C. for FY 1998-99 in the amount of \$48,000.

#### 14. Bid Call - Contract No. 3552 - As-Needed Electrical Construction/Repairs 1997-1998

No. 98-0142

Resolution approving scope, budget and schedule for Contract 3552, As-Needed Electrical Construction/Repairs 1997/98, and authorizing Director to call for bids when ready.

#### 15. Bid Call - Contract No. 4011 - Airport Primary Minimum Point of Entry (MPOE) Facility

No. 98-0143

Resolution approving funding for Capital Projects Contract No. 4011, Primary Minimum Point of Entry ("MPOE") Facility for Airport Communications, and authorizing the Director to call for bids when ready.

#### Modification No. 3 to Professional Services Agreement to Provide Consultant Services to Connection with the Airport Medical Clinic Program - Dr. Lawrence A. Smookler

No. 98-0144

Resolution approving Modification No. 3 to Professional Services Agreement with Dr. Lawrence Smookler to provide consultant services in connection with the Airport Medical Clinic Program. Term is extended from July 1, 1998 to June 30, 1999 and compensation is increased by \$130,000.

#### 17. Design Approval - North Terminal Candy Cart/Kiosk Lease

No. 98-0145

Resolution approving the design for the North Terminal Candy Cart/Kiosk Lease for Del Duca Enterprises, Inc.

#### I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. John Darmanin said that it was his understanding that the Commission will meet in closed session to discuss allegations of serious delays in Fire Department response times that compromises safety and reduces the quality of fire emergency services at SFO.

At the last meeting he offered to provide information to this Commission to assist it in



investigating these allegations. He did not receive a request to provide that information until this past weekend. That request was made by Duke Briscoe, Deputy Director of Operations at SFO. He was glad to see the letter but felt that it would have been more appropriate and better for him careerwise if the request had been sent through the chain of command of the Fire Department.

He is more than happy to provide any and all of the information he has, but even though it discusses matters that are public in nature, it contains information that may be construed as official Fire Department information. He does not want to give the Fire Department any more reason to retaliate against him.

Mr. Darmanin read the attached letter in response to Mr. Briscoe's letter.

Mr. Darmanin apologized for not being able to provide that information now but explained that this is a very hot issue. He hoped that the Commission could appreciate his position as an active firefighter trying to get the word out and get changes made. He wants to be cooperative but the request needs to go through the chain of command as instructed by his attorneys.

Commissioner Berman felt that Mr. Darmanin's issues are with the Fire Department. The Airport is peripherally involved as some of the issues are on Airport property.

Mr. Martin explained that all of the Airport's fire services are provided by the Fire Department. We work closely with them in making sure that they have the equipment that they need. The Airport has been assured by the Fire Department that it has the necessary equipment to meet and exceed Federal and State standards on response times.

Commissioner Berman assumed that the City Attorney's Office will keep the Commission advised of when and if we cross the line of propriety in getting involved in this issue and when we should be involved.

Mr. Darmanin said that Mr. Martin indicated that the Airport has provided equipment and staffing that the Fire Department has required. That is not true and is the basis of this problem. When the equipment and staffing were not provided they got rid of the people who made the requests and replaced them with people who did not ask for these items. The Airport is more than peripherally involved. The funding associated with equipment and staffing comes from the Airport, not the Fire Department. It is the inability to provide that funding that directly relates to the inability to provide services.

The Airport has touted itself as being world reknowned for safety and security. It was at one time, but is no longer.

Mr. Martin assumed that Mr. Darmanin is still speaking as an individual because Mr. Darmanin is saying something entirely different than Fire Department management. This is all the more reason why Mr. Darmanin's comments should be directed to the Fire Commission rather than the Airport Commission.

Commissioner Berman said that he is very concerned about being dragged into a situation that is highly personal to Mr. Darmanin. Commissioner Berman said that he would like to discuss this in closed session with the City Attorney.

Commissioner Strunsky did not understand if Mr. Darmanin was speaking for himself or the Fire



Department because he understood Mr. Darmanin to say that he could not speak for himself.

Mr. Darmanin responded that he was speaking for himself. This information regarding reports on delayed response times is available to any member of the public. The information includes individuals who have had heart attacks and have had to wait up to 12 or 14 minutes for the Fire Department to respond. This Airport Commission through John Martin brags about response times of three minutes or less to the Board of Supervisors and the Mayor every year. At one time we were able to do that but it is no longer happening and it is not just because of the Master Plan, it's because of the lack of insight into the needs of the Fire Department at the time he was Operations Officer. He has first hand knowledge of it and all of the information is available for public review.

Commissioner Berman said that to Mr. Darmanin's credit, each time he has appeared before the Commission he has made it clear that he was speaking as an individual and not as a member of the Fire Department.

#### J. CORRESPONDENCE:

There was no discussion by the Commission.

#### K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

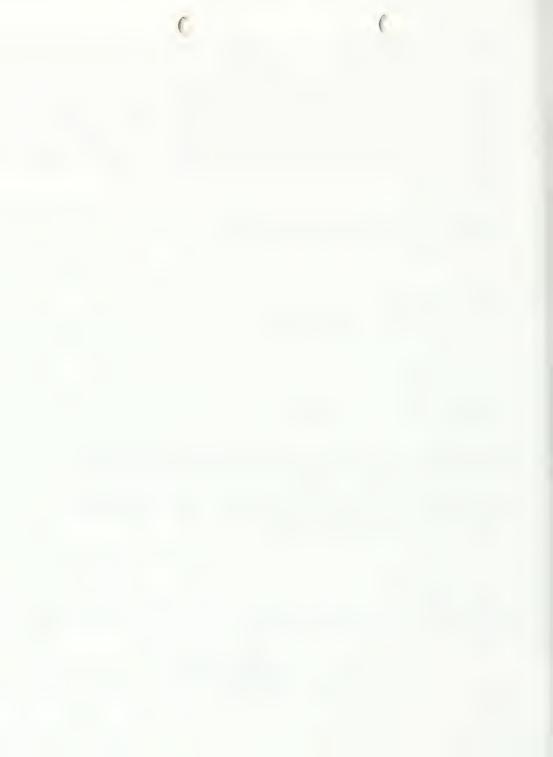
The Commission did not go into closed session.

#### L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 AM.

Jean Caramatti

Commission Secretary



### June 2, 1998 Fax, US Mail and Hand Delivery to Airport Commission

Duke Briscoe Deputy Airport Director, Operations San Francisco International Airport PO Box 8097 San Francisco, California 94128

Dear Mr. Briscoe:

I am writing this letter to you as a private citizen who is concerned about the safety and security of the San Francisco International Airport. The opinions found in this letter are based on my 16 years experience as a firefighter assigned to various fire stations in San Francisco, including 10 years experience as an Airport Firefighter and former Airport Operations Officer and Training Coordinator at San Francisco International Airport. In addition, I have consulted with various FAA officials, Federal OSHA Administrators, Retired Airport Fire Chiefs of San Francisco International Airport and Boston's Logan International Airport. For the past three years, I have also met with and asked the advice of professional consultants hired by San Francisco International Airport with expertise in airport fire safety and airport security. For the record, although I am a member of the San Francisco Fire Department, I am not writing this letter in any official capacity, nor do my opinions necessarily represent those of the San Francisco Fire Department.

On Saturday, May 30, 1998, I received your letter of May 27, 1998 requesting specific information relating to the delayed Airport Fire Department response times that may have contributed to the further injury and/or possible deaths of people in or about San Francisco International Airport. I am very pleased and relieved that the Airport Commission has taken my information and concerns very seriously. I am anxious to cooperate with the Airport Commission and provide them with any knowledge and information in my possession.

I believe that your request should be directed to me through the "chain of command" of the San Francisco Fire Department. In that way I will be able to answer any and all of your questions in my official capacity as "former" Airport Operations Officer and Training Coordinator. Making your request of information to me through the "chain of command" will allow me to speak freely without fear of further retaliation from my superiors in the San Francisco Fire Department.

The problems and serious safety deficiencies that I mentioned during the "Public Comment" portion of the May 19, 1998 Airport Commission meeting require immediate attention to prevent further injuries and/or deaths to firefighters, airport employees and the traveling public using San Francisco International Airport. The increased risk to the firefighters working at SFO and the traveling public is preventable if the appropriate staffing, fire apparatus and safety equipment is provided without further delay.

I will be glad to provide you and the Airport Commission with the information I have in my possession upon receiving your request through the San Francisco Fire Department "chain of command". Please feel free to contact me should you or the Airport Commission require any further questions.

Very truly yours.

ohn F. Darmanin

Henry E. Berman Roland A. Quan Michael S. Strunsky Larry Mazzola Linda S. Crayton John L. Martin



Commission City and County of San Francisco Willie L. Brown, Jr.

Henry E. Berman President Roland A. Quan Vice President Michael S. Strunsky



May 27, 1998

JOHN L. MARTIN Airport Director

Larry Mazzola

John Darmanin 402 Edgewood Rd. Redwood City, CA 94062

Dear John:

At the Airport Commission meeting last Tuesday, May 19 you informed the Airport Commission of your concerns regarding the safety conditions at the Airport. You mentioned the need for staffing increases, new equipment and fire station projects. You also indicated that response times have suffered greatly because of Airport budgetary considerations.

You indicated that staffing on the fire trucks was grossly under that of the City and County of San Francisco proper and that response times are sometimes in excess of twelve to fourteen minutes.

You told the Airport Commission that if there was interest in knowing "dates, times, places and people who have been injured or who have died because of delayed response times" you would be able to provide this information to them.

The Commission has taken your information and concerns very seriously and has asked that I get as much specific information as possible from you regarding these matters.

Please let me have whatever information you have in your possession.

If you have any questions, please give me a call.

Yours very truly,

Duke Briscoe

Deputy Airport Director, Operations

cc: John L. Martin



# SAN FRANCISCO AIRPORT COMMISSION



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## « MINUTES

JUNE 23, 1998 SPECIAL MEETING 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

#### **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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### Airport Commission Special Meeting Minutes June 23, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Roland A. Quan, Vice President

Hon. Michael S. Strunsky Hon. Larry Mazzola Hon. Linda S. Crayton

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 2, 1998 were adopted unanimously.

No. 98-0146

\* \* \*

#### D. DIRECTOR'S REPORTS:

Master Plan Construction Traffic Operations - Six Month Report

Report on traffic operation changes in the past six months.

Mr. Edwin Leung, Assistant Deputy Director, Landside Operations explained that during the past six months parking and traffic has operated without any major incidents. The Airport freeway ramps and frontage road were closed intermittently between midnight and 5:00 AM for the International Terminal elevated roads and inbound/outbound ramps construction. The upper level roadway was closed two nights between 1:00 AM and 5:00 AM for pavement repair. Traffic was diverted to the lower level roadway with minimum impact.

Since October, 1997 the lower level roadway, lane no. 1, has been closed continuously for ART construction. Lane no. 2 has been closed every weeknight from 11:00 PM to 9:00 AM for this construction. This closure will continue for one more year. All lower level traffic, including vans, taxis and scheduled buses, has been diverted to the inner roadway,

There will be several activities on the main road and frontage roads in the next six

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months.

INTERNATIONAL TERMINAL AND FRONTAGE ROAD: In September, 1998 the verticle clearance under the International Terminal is scheduled to be reduced to 12'6" for various activities related to the International Terminal. A verticle clearance of 15' will be maintained to one lower level lane.

After the International Terminal elevated road deck falsework and temporary column is removed, Road R-1 traffic lanes will be realigned to the previous configuration.

Due to the ART westside construction, McDonnell Road has been narrowed to two lanes, one in each direction. In July of this year, McDonnell Road will be realigned southerly to Lot C and R-18 will be realigned at this intersection to accommodate ART and BART guideway construction.

Road 16 and Road 18 connectors will be realigned in July to accommodate the elevated road construction.

INBOUND/OUTBOUND FREEWAY RAMPS AND ELEVATED CIRCULATION ROADS: In July, 1998, the southbound Highway 101 Airport off-ramps will be relocated permanently 1.4 miles north, using the I-380/San Bruno Ave. off-ramp. Any Airport bound traffic southbound that misses this exit will be directed by signs at the Millbrae Avenue exit to double back onto northbound 101.

There will be intermittent closure of the main SFO freeway ramps from midnight to 5:00 AM. Traffic will be diverted to McDonnell Road and R-2 during this low traffic period.

RENTAL CAR FACILITY (RAC): Scheduled to be relocated and opened in November, 1998. Several changes will take place before that time.

Consolidated common RAC shuttle buses will start serving all on-Airport and off-Airport RAC companies. Off-Airport RAC shuttle buses will be required to pick-up and drop-off at the RAC and use the consolidated RAC buses.

Freeway and road signs directing long term parking and rental car customers to/from the site will be installed by November 1998.

The realignment and widening of McDonnell Road will be completed by November 1998.

The ART guideway construction in front of the RAC facility will be completed by September, 1998. The ART station construction in front of the RAC facility will begin in November, 1998. The station construction will be separated from rental car customers.

PARKING: The long term parking Lot D will provide approximately 4,760 parking spaces, 650 more spaces than last summer.

In May, 700 spaces were temporarily added by converting Taxiway Q to public parking. These 700 spaces will be lost in November, 1998 in order to finish taxiway Q construction. In June, 700 spaces were lost due to the RAC phase 3 construction.



Sections of Lot D will temporarily close, 200 spaces at a time, throughout the summer to slurry seal and restripe the lot for a more efficient parking layout.

In Fall of 1998, 420 spaces will be added after the West Field Detention Basin is completed.

The Long Term Lot D plaza was also relocated in June. The new entrance is accessed through the UAL-MOU Access Road.

Commissioner Berman asked if adequate signage will be provided throughout these changes.

Mr. Leung responded that sufficient signage will be provided throughout the relocation and construction period.

Commissioner Strunsky asked how an individual who is returning his rental car will find his way to the rental car facility.

Mr. Leung responded that in the initial opening of the RAC facility, signage will direct rental car customers to divert onto the North Access Road and then to the So. Airport Boulevard.

Commissioner Strunsky suggested that the left U-turn should be very carefully signed.

Mr. Leung said that freeway signing will be modified along with these relocations as well as the signing in the terminal area.

Commissioner Crayton suggested earlier notification on 101 be provided coming from the Peninsula to the Airport.

Mr. Leung agreed that that was a good idea.

Commissioner Quan said that when vehicles enter the roadway the driver must make an immediate decision as to which lane is appropriate ... is it the garage, the arrivals level or the departure level? Are there any statistics on the number of accidents that happen when vehicles change lanes?

Mr. Leung responded that accident records are kept.

Commissioner Quan thought it would be better to place signs on the freeway indicating the appropriate lane for each destination.

Commissioner Berman recommended going over the entire signage situation, perhaps including a blinking red light at merge points.

Mr. Martin said that staff will continue to review the signage issue. A new sign consultant is coming on board to do a peer review.

There has actually been a reduction in accidents on the main Airport roadway, according to the numbers he reviewed a few of months ago. He believes that people



have slowed down because of the confusion with construction.

In the long run, when traffic patterns and lanes stop shifting because of the construction program, he wants signage and arrows in the lanes directing pasengers. Staff and the construction team have done a tremendous job keeping the traffic moving and maintaining the Airport's operational safety and security standards. Those are our key objectives.

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 and 3 were adopted unanimously.

2. <u>Modification No. 5 to Contract No. 5500CM - Construction Management Services for the New International Terminal and Related Projects - SFO Associates, a Joint Venture</u>

No. 98-0147

Resolution approving Modification No. 5 to Contract No. 5500CM with SFO Associates, a J.V. of Parsons/AGS/EPC Consultants/Business Development, Inc., for additional professional services associated with the development and execution of the New International Terminal Complex Activation and Terminal Development Program.

The amount of the modification is \$916,712. It will be funded from the Airport's operating budget.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that SFO Associates, a Joint Venture of Parsons/AGS/EPC Consultants and Business Development, Inc., are providing construction management services for the International Terminal, program management assistance for the International Facilities Complex and project management services for the Security and Special Systems contracts. Their contract is funded on a calendar year basis out of Master Plan funds.

As we approach the opening of the facilities built within the framework of the Near-Term Master Plan, it became necessary to assemble a group of professionals experienced in the start-up of airport terminals and associated facilities. To assist and organize Airport staff, SFO Associates has provided us with the necessary personnel familiar with the many operational start-up issues confronting the Airport organization and our tenants.

In addition, SFO Associates will provide assistance in planning the long term operation of the entire terminal complex, including the assignment of locations for the individual airlines, relocation sequencing, and preparation of the necessary leasing documents.



The negotiated fee for these services is \$916,712 for this calendar year funded from the Airport's operating budget.

The MBE/WBE participation remains the same as in the base contract ... 17.5%/5.5% respectively.

## 3. Resolution Regarding the Sale of Airport Revenue Bonds, Issue 18/19

No. 98-0148

Resolution regarding the sale of Airport Revenue Bonds, Issue 18/19, and delegating authority to the Director within certain parameters established by the Commission.

Mr. Marcus Perro, Assistant Deputy Director, Business and Finance explained that this item seeks the Commission's approval to sell Airport Revenue Bonds Issues 18 and 19.

Issue 18 will fund \$225 million in Master Plan projects, including the new International Terminal and portions of Boarding Area A.

Issue 19 will provide \$25 million for the BART to SFO guideway station. We anticipate an interest cost of 5.5% which will bring our total principal outstanding Master Plan bonds to \$2.1 billion and \$60 million for the BART project.

Commissioner Strunsky asked if we are accelerating our bond sales due to the interest rate.

Mr. Perro responded that we are.

Mr. Martin added that last spring we had a tremendous acceleration in the issuance schedule in order to lock in the interest rates.

ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 4 through 10 were adopted unanimously.

4. Award of Contract No. 3384C - Taxiway Q Extension, Phase C - JMB Construction, Inc.

No. 98-0149

G.

Resolution awarding Contract No. 3384C, Taxiway Q Extension, Phase C, to the lowest responsive, responsible bidder, JMB Construction, Inc., in the amount of \$6,659,681.50

Mr. Ernie Eavis, Principal Engineer, explained that this is the third phase of the Taxiway Q extension. This taxiway is being extended around runways 10L and 10R so that aircraft can get from the north field and Taxiway C back to the terminal without crossing in front of the localizer. The localizer will be closer to the runway so that aircraft do not



have to cross in front of it and it can remain in operation.

Commissioner Strunsky asked if aircraft will be able to taxi on Taxiway Q during landing and take-off operations?

Mr. Eavis responded that aircraft will be held if planes are taking off. However, presently, aircraft cannot taxi across a localizer if a plane is several miles out.

Commissioner Strunsky noted that the low bidder is significantly under the estimate. Are we confident that the contractor understands the project?

Mr. Eavis explained that the major portion of this work is utility work and the low bidder is a utility contractor, not a paving contractor.

Commissioner Crayton noted that the low bidder is a DBE and the total body of the contract will be counted toward the subcontracting goal. She asked if that is done normally.

Mr. Eavis responded that it is done on DBE contracts.

### 5. Award of North Terminal Concession Opportunity Lease - Host International, Inc.

No. 98-0150

Resolution awarding the North Terminal Concession Opportunity Lease to Host International, Inc. with a minimum first year annual guarantee of \$1.2 million.

Mr. Perro said that two bids were received for this concession. Host was the lowest responsible bidder, submitting a proposal that exceeded the MBE/WBE goals. Host plans to sublease 57% of its square footage to minority and women owned businesses, compared to a goal of 30%.

The new stores included in this lease wil be a science/hobby shop, a watch retailer, sunglasses store, a Wilson's leather shop, and toy/car/train store.

On February 3, 1998 the Commission awarded the newsstand lease on Boarding Area F. The revenue from the new leases will exceed the current revenue projection.

Commissioner Berman asked if the other bidder was non-compliant.

Mr. Martin responded that the second bidder was non-compliant on the subcontracting requirements.

Commissioner Berman asked who the other bidder was.

Mr. Martin responded that Brookstone was the other bidder. They had been teamed with another large retail operator that backed out at the last minute.

Commissioner Strunsky asked how the \$1.2 million guarantee compared with revenue that we see currently.



Mr. Perro responded that the minumum annual guarantee (MAG) combined with the newsstand is about \$100,000 more than our current revenue projections.

Commissioner Quan noted that it is guaranteed for the first year. What happens in the next four years.

Mr. Perro responded that there will be annual adjustments based on the cost of living in San Francisco.

Commissioner Quan asked if it could fall below 1.2.

Mr. Perro responded that it can go up, but it can't go down.

Commissioner Berman said that that information should be made clear in the future.

Item Nos. 6 and 7 were called together.

# 6. <u>Authorization to Accept Bids for the Boarding Areas "B" and "C" Principal Concession Retail Lease</u>

No. 98-0151

Resolution approving the lease specifications and authorizing staff to accept bids for the Boarding Areas "B" and "C" Principal Concession Retail Lease.

Mr. Perro explained that staff has evaluated comments from 10 prospective bidders for this concession opportunity. Some of the changes to the specifications include adding language to mitigate the financial loss due to construction to lessen financial risk for MBEs and WBEs and encourage more M/WBE bidders as prime lessees, to allow more store concepts and to focus more on the type of merchandise to be sold.

## 7. Authorization to Accept Bids for Boarding Areas "B" and "C" Bookstores Lease

No. 98-0152

Resolution approving the lease specifications and authorizing staff to accept bids for the Boarding Areas "B" and "C" Bookstores Lease.

Mr. Perro explained that the bookstore pre-bid was attended by nine prospective bidders. Some of the comments that staff is recommending incorporating into the specifications include that bidders be experienced bookstore operators in San Francisco and the nine Bay Area Counties. We are allowing qualified management experience to be gained outside of the Bay Area. The rent will be lowered from 20% of gross revenue to 12%, and we are adding terms to mitigate financial risk due to ongoing construction at the Airport.

Commissioner Strunsky asked what the theory was behind the reduction in gross revenue from 20% 12%.

Mr. Perro explained that the South Terminal has been experiencing some downward



trends in passenger enplanements and impacts due to construction.

Mr. Martin added that books have a lower profit margin in general so that it is a specialty area.

Commissioner Strunsky asked how this compared with the percentage we are receiving in the North Terminal?

Ms. Theresa Rivor, Business Development and Management responded that the rent reduction from 20% to 12% is for the 90 day construction period. They then go back to the \$450,000 MAG rent as the low bid. The continuing percentage is 12%, 14% and 16% at \$500,000 and upward to a million.

Commissioner Strunsky asked how that compared to the North Terminal bookstore?

Ms. Rivor responded that the percentage rent in the North Terminal is 20%.

Commissioner Strunsky assumed that we will never reach 20% in the five year term of the South Terminal lease regardless of the traffic. He asked if there is a mechanism to make these two on a par based on traffic.

Ms. Rivor responded that the structure has changed. The MAG now starts at \$450,000 depending on how bids are tendered, based on the retailers ability to perform, based on enplanements. We will actually benefit because after year one rent begins at 12%, 14% or 16%, based on sales. We have an opportunity, based on that rule, to drive more sales because we will benefit as the tenant drives more sales.

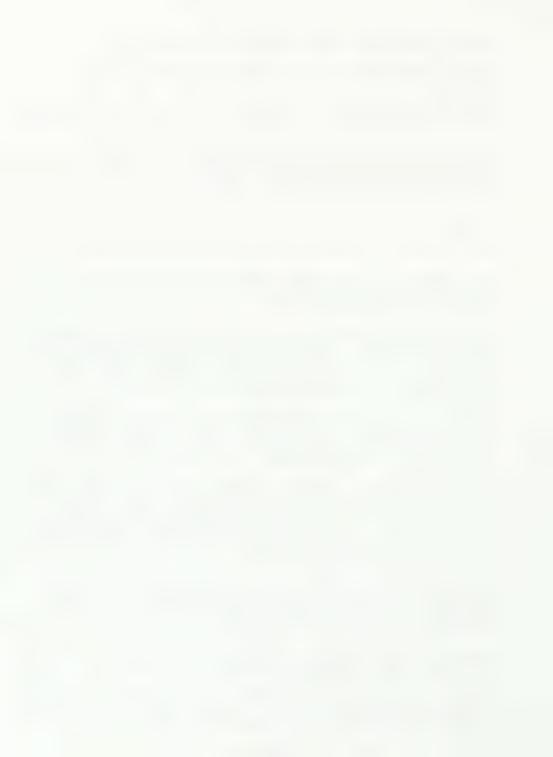
Commissioner Strunsky said that the bookstore in the North Terminal is working off its guarantee at 20% of gross sales. The bookstore in the South Terminal is working off its guarantee at 12%. They never come together. In theory, the books in the South Terminal could be priced lower than that in the North Terminal.

Mr. Martin explained that in a competitive bid situation, the minimum annual guarantee that is bid will be comparable to the North Terminal, perhaps reflecting the lower sales volume in the South. The lower percentage is more common in the industry for bookstores. The 20% tends to scare away potential bidders from coming to the table. In the end, because it's a sealed envelope bid basis we come out even. Hopefully, we bring more people into the room to begin with.

Commissioner Crayton noted that a lot of our bidding opportunities in these particular retail areas have the same type of pre-bid conferees attending ... Host, Duty Free Shoppers, DelDuca Enterprises, DeLaVe News and Gifts ... what do we do to insure that the others have an opportunity to gain access to retail opportunities?

Mr. Martin explained that staff has made a major effort in using an outside firm to assist us in trying to market to non-traditional bidders and expand the bid pool.

Ms. Rivor explained that we are trying to recruit and market to a wider scope of people, to have more individual meetings, to look at how to attract more people into the Airport. It is difficult to do business at the Airport because of all of the FAA regulations so we



are trying to soften up some of the areas to assist bidders and make this process easier.

We are starting more direct marketing for the new International Terminal. We have met with local retailers. We have some set-aside packages that will be going out on the street soon. Recruitment is an on-going effort.

Mr. Martin said that some of the bureaucratic requirements that the City has, such as its lengthy lease ... about 150 pages, discourages people from the process. There are many more requirements for tenants at the Airport than would be found at traditional shopping centers. Some retailers have decided that it's not worth all of the trouble to do business with the City.

8. Approval of Project to Expand Boarding Area "F" Hub and Thumb and Authorization to Reimburse United Air Lines for Work Performed on Behalf of the Airport

No. 98-0153

Resolution approving expansion of Boarding Area "F" Hub and Thumb to increase concession and airline operating space. United Air Lines will design and construct the project on behalf of the Airport. Resolution also authorizes reimbursement to United in an amount not-to-exceed \$900,000 for the design portion of the project.

Mr. Perro explained that Boarding Area F needs to be expanded to provide retail space to the Hub area and more food and beverage and concession space in the thumb area where the United Shuttle flights operate. United's VIP lounge also needs to be expanded. This resolution authorizes reimbursement to United for the contractor who will design the modifications. We are allowing United to design the project to minimize disruption of United's flight operation.

United selected its contractor off of the Airport's short list of design firms. All of the M/WBE goals have been met. Airport oversight to control cost is in place. We will return to the Commission to approve the construction contract. The cost is \$900,000 for design only.

Mr. Martin explained that this is a non-traditional approach we are using because the construction work will occur right in the area of United's ramp operations. We felt it was better for the contractor to work directly for United. We will exercise tight control over the construction management process as we move along in the design process. We will continue to update the Commission and will return for authorization to proceed with construction and reimbursement to United for that work.

Mr. Martin explained that the contract that United lets for construction will look very much like a City contract, with the standard language on M/WBE and prevailing wage requirements. We will have strict provisions on Airport staff approval on all billings that we authorize to United.

Commissioner Strunsky added that it should include the bid process as well so that we



can assure that we are getting the most of our money and that friends are not being brought into the arrangement.

Commissioner Berman said that this is an unusual circumstance. This synergy will work to our benefit.

9. <u>Selection of Underwriters for Hotel Financing - Goldman Sachs & Company and Artemis Capital Group, Inc., A Joint Venture</u>

No. 98-0154

Resolution approving selection of Goldman Sachs & Company and Artemis Capital Group, a Joint Venture as Underwriters for the financing of a new on-Airport hotel.

Mr. Perro explained that staff is recommending Goldman Sachs and Artemis Capital as underwriters of the on-Airport hotel. Staff is requesting authorization to negotiate fees for their assistance which will include but not be limited to development of the best financing structure and terms of the construction and operation of the hotel.

Goldman Sachs is partially compliant with 12B and is working towards full compliance. Artemis is in full compliance.

Artemis is a woman-owned firm, but due to its size they did not receive HRC preference points.

The fee structure proposed by the underwriters shows 30% of the compensation going to Artemis and 70% going to Goldman.

Commissioner Strunsky assumed that any financing the Airport takes on here will be secured only by the hotel and by its revenues and not by the Airport's operations.

Mr. Martin said that that is the plan. He added that we want the investment banking firms on board now so that we can finalize the financing structure. It's possible that there might be some percentage ... 5% or 10% capital contribution from the Airport, but ideally it will be strictly backed by the hotel. Staff will be reporting back to the Commission as we move forward.

Commissioner Berman asked when the pre-bid will be held.

Mr. Martin responded that the pre-bid will be held in December 1998 and we expect the hotel to be in operation in early 2003. We slowed the process down a bit because we needed the sight for construction staging.

Commissioner Strunsky asked if this will require another ART station.

Mr. Martin responded that provisions have been made in the existing contract.

Commissioner Strunsky asked if the ART station will be paid for within the hotel financing package?



Mr. Martin responded that we made the hotel package more attractive by including the ART station. In determining whether it made financial sense to have a light rail station at the hotel we looked at the incremental rent we expect we would receive by virtue of having this high level of service. We concluded that it would mean incremental gains to the Airport by including a hotel station, but there will not be a direct line item payment from the hotel operator for the ART station.

### 10. Adoption of FY 1998/99 Rates and Charges

No. 98-0155

Resolution to (1) establish aircraft landing fee rates, minimum landing fee rates, terminal space rental rates, cargo space rental rates, outdoor aircraft storage rates for commercial aircraft, outdoor storage rates for general aviation aircraft, jet bridge rental rates, in-transit lounge rental rates, sewage/wastewater treatment rates, water rates, and (2) request supplemental appropriation.

Mr. Perro said that each year we are required to look at airline rates and charges for the forthcoming year. These rates and charges have been presented to the Airline Affairs Committee. We are requesting adoption of rates and changes which includes an increase in the landing fees per thousand pounds, making us the third lowest among the top ten U.S. airports, adjustments to the terminal rental rates, the water and sewer rate, the cargo building rate, a downward adjustment in the in-transit lounge rate due to an increase in the projected passenger use of the lounge, an increase in the commercial aircraft parking rate.

These rates will be effective July 1, with the exception of the fees that apply to non-airline operators and general aviation operators which will go into effect on September 1.

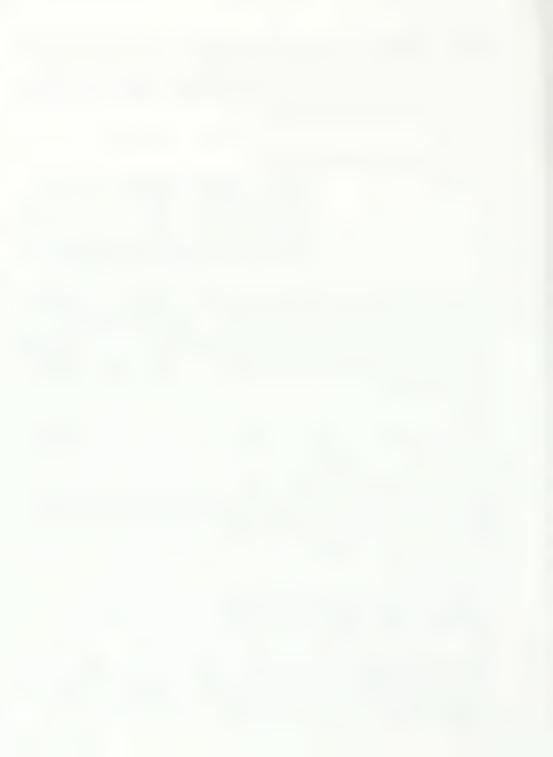
Commissioner Berman asked how these compare to projections in the MOU.

Mr. Perro responded that we are below the MOU projections. We had up to a \$125 million cap but if you look at a year by year comparison we are slightly ahead of that due to increases in services that we are providing. Those services include the increase in the number of custodians and an increase in garage services.

Commissioner Strunsky understood why Atlanta was below us but did not understand why Miami is lower.

Mr. Martin responded that Miami has some terminal work that was financed by the airlines and the airlines carry the debt on their own books. All of the terminal development in Los Angeles in the last ten years has been financed by the airlines as well.

Miami is very similar to San Francisco in that it primarily has origin/destination traffic and a lot of international traffic. We have more similarities to Miami than any other airport in the U.S. Miami has a \$7 or \$8 billion capital program on the books, so they will be passing us on the rates in the next couple of years.



Commissioner Mazzola noted that a number of airports use the take-off weight rather than the landing weight. We use the landing weight. What's the difference?

Mr. Martin responded that it is based on the FAA certification on the maximum allowable take-off or landing weight. Those airports that use the take-off weight have probably done so since the 30s and 40s and they never changed the methodology. The industry standard has gone in the direction of landing weights. The bottom line is that with the break-even cost center accounting system that we have, if we need \$70 million in airline fees to break even on our budget overall, it doesn't matter whether we use landing or take-off methodology.

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Commissioner Crayton was unanimously recused from voting on Item No. 20 due to a conflict of interest. Item No. 19 was put over. Item Nos. 11 through 18 and 20 through 24 were adopted unanimously.

11. <u>Award Professional Services Contract No. 5904.2 - Traffic Guide Signing & Graphics (Design) - Korve Engineering, Inc.</u>

No. 98-0156

Resolution awarding Professional Services Contract No. 5904.2 to Korve Engineering to develop design standards, guideline manual and conceptual plan for Airport guide signage in the amount of \$154,000. Award is subject to HRC review of consultant's proposed MBE/WBE subconsulting program.

## 12. Public Access Restriction Covenant for Bayfront Park

No. 98-0157

Resolution approving a public access restriction covenant for city-owned real property located in City of Millbrae, County of San Mateo, and known as the Bayfront Park in accord with the Bay Conservation and Development Permit No. 2-96.

## 13. Retirement Resolution - Winston Miller

No. 98-0158

## 14. Customer Service Training Program

No. 98-0159

Resolution authorizing staff to retain City College of San Francisco to develop curriculum and facilitate seminars on quality customer service for the Airport Commission Staff.



## 15. Award of Contract No. 3467 - Airport Underground Improvement - Ogiso Environmental

No. 98-0160 Resolution awarding Contract No. 3467, Airport

Underground Improvement, to Ogiso Environmental in

the amount of \$558,401.

 Award of Professional Services Contract for Advocacy Services for International Aviation Development - APCO Aviation Practices Group

No. 98-0161

Resolution awarding Professional Services Contract to provide advocacy services for International Aviation Development to APCO Aviation Practices Group in the amount of \$100,000.

17. Award of Professional Services Contract for International Aviation Development - Winthrop, Stimson, Putnam & Roberts

No. 98-0162

Resolution awarding professional services contract to International Aviation Development to Winthrop, Stimson, Putnam & Roberts in the amount of \$100,000.

18. <u>Modification No. 1 to Contract for Advocacy Services in Washington, D.C. - Smith, Dawson, and Andrews</u>

No. 98-0163

Resolution approving Modification No. 1 to Contract for Advocacy Services in Washington, D.C. with Smith, Dawson, and Andrews for FY 1998-1999 in the amount of \$48,000.

Item No. 19 was put over.

19. Renewal of Contract to Operate Airport Information Booth Program

Resolution renewing contract with Polaris Research & Development, Inc. to operate the Airport Information Booth Program for an additional year, effective October 15, 1998, through October 14, 1999. This resolution will exercise the third of four renewal options, with an annual budget not to exceed \$1.3 million.

Commissioner Crayton asked if this is an MBE.

Mr. Martin said that this item should be put over in order to be able to provide a more detailed report on the M/WBE participation.



By unanimous vote, Commissioner Crayton was recused from voting on Item No. 20 due to a conflict of interest. Item No. 20 was adopted unanimously.

### Modification No. 2 to Contract No. 5601A - Utility Relocation Agreement - Pacific Bell, a Pacific Telesis Company

No. 98-0164

Resolution approving Modification No. 2 to Contract 5601A, Utility Relocation Agreement, to allow Phase III telephone cable relocation work to proceed in the West Field Area. Amount of the Modification: \$382,000.

Funding for this Modification is provided by the 1997/98 Capital Improvement Budget and there will be no change to the Master Plan Baseline Budget.

## 21. Modification No. 2 to Contract No. 5709.I - Airport Rail Transit West Field and Lot D Stations Professional Services Agreement - Murokami Associates

No. 98-0165

Resolution approving an increase to basic professional services fees in the amount of \$74,800 to provide full architectural and engineering services for four additional scope of work items for the Airport Rail Transit West Field and Lot D Stations. There will be no change to the Master Plan Baseline Budget.

# 22. <u>Modification No. 3 to Consulting Services Contract for the Integragted Business Information System - Hood & Strong, LLP</u>

No. 98-0166

Resolution approving Modification No. 3 in the final amount of \$16,000 for consulting services provided by Hood & Strong, LLP, during the implementation phase of the Airport's integrated business information system.

## 23. Contract with the Corporation of The Fine Arts Museums of San Francisco

No. 98-0167

Resolution approving a contract with the Corporation of the Fine Arts Museums (COFAM) of San Francisco for the purpose of providing and implementing temporary exhibitions at the San Francisco International Airport for the period July 1, 1998 to June 30, 1999 in the amount of \$235,000.

## 24. Proposed Exhibition Program Schedule



Resolution approving Exhibition Schedule for the period beginning Fall, 1998.

\* \* \*

#### I. NEW BUSINESS:

The meeting recessed at 9:50 AM and was reconvened at 10:08 AM.

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Commissioner Berman noted that there were a number of people who have submitted request to speak forms. He asked Ms. Marcy Schultz if these people would be willing to relinquish their time but have their names read into the record as a sign of support to Ms. Schultz's comments.

Ms. Schultz responded that a number of people will want to relinquish their time to her. She will go through the list of names and separate out those who will relinquish their time from those who will want to address the Commission.

Commissioner Berman read the following names into the record as having yielded their time to Marcy Schultz: Kevin Chase, Stan Warren, Arthur DeMarchis, Dave Jackson, Mike Knab, Randall Oliver, Al Nosenzo, and Daniel Sheehan.

Ms. Marcy Schultz, Building Trades Council, read her comments into the record (see attached). A copy of the entire submittal is available upon request.

Mr. Rome Aloise reiterated the letter received by Chuck Mack and the comments made by Marcy Schultz. He would like to see this worked out in a fashion that benefitted everyone. He is not sure what their next move will be if this isn't worked out, but said that Marcy stated everything very well.

Mr. Gary Saunders, Plumbers and Steamfitters Local Union #467, reiterated the comments made by Ms. Schultz and added that Ms. Schultz, Victor Van Borg and he negotiated this agreement, first with Lou Turpen and Mara Rosales and later with John Martin and Mara Rosales. The agreement was made in good faith. Many things have been done to undermine the agreement since it has been signed. They want to bring it back on line and have what they thought they were going to receive in the first place ... an honest agreement being lived up to by both sides.

Mr. Phil Tarantino, Teamsters Local 216, said that figures have been run based on the 41 employers that we have seen at the Airport. There is a potential average of five employees each. The Pension Trust, the Health and Welfare Trust, and Teamsters Apprentice Training Trust, over a 12 month period based on a 40 hour week, no over time, is in excess of \$2-million. That isn't what the Commission and the Airport had in mind when it entered into this project agreement.



Ms. Sandra Rae Benson, attorney, Van Borg, Weinberg, Roger & Rosenfeld said that she has spent a long time defending the Project Stabilization Agreement (PSA) legally. Morally and ethically this is the best way for the work to be performed at the Airport.

Recent events indicate that the staff, and hopefully not the Commission, have misjudged the unions attempts to resolve and settle disputes amicably as an acquiesence, in open violation of the agreement. If that is the understanding, it is wrong. The unions will not acquiesce any longer.

The unions are very concerned that staff, with or without the knowledge of the Commission, is violating the PSA and encouraging violations by the contractors.

The worst incident right now is this prevailing wage non-enforcement. It seems to be permeating throughout the entire project. We are concerned about the off-site work. There is a prior City Attorney opinion which specifically states that off-site work is covered. You have a Charter Amendment that states that prevailing wage is required and staff is not enforcing it. We have agreements between staff and minority contractors stating that they do not have to pay prevailing wage. There apparently are agreements stating that 10% or close to prevailing wage is adequate. Now, there apparently there is an attempt between staff and some contractors to do a survey to lower prevailing wages.

She hopes that the City Attorney will take a look at a recent case decided by the Court of Appeals entitled Cortez v Purolator. Staff is giving some contractors the impression that they don't have to pay prevailing wages. Those contractors will be sued for the payment of those wages. The workers, whether they are union or non-union, minority or non-minority, are entitled to be paid the wages that they are due and owed for the work that they have done.

The Cortez v Purolator decision specifically says that an employer who comes in and claims a good faith belief that they were paying the correct wages does not make sense and that employer will have to disgourge to the employees all of the money that they should have paid to the workers for the work that they did.

Staff is giving these employers the impression that it's okay, but that defense isn't going to work as far as the employees are concerned. These employers will then turn around and sue the Airport Commission for indemnity. The taxpayers will end up paying twice for the work that is done at the Airport. This is not fair to the taxpayers, the workers or the unions who came into this agreement thinking that they were signing an agreement that would be adhered to.

To the extent that the unions may have naively assumed that the Airport Commission and staff would live up to the agreement, then shame on the unions. To the extent that the Airport staff is acting with the knowledge of the Commission in encouraging these violations, then shame on you. It is not the role of the Commission to devise ways for contractors to make excess profits at the expense of the workers. If that's the role that the Commission is going to take, then rather than trying to work at conciliatory resolution to every problem under the PSA, we will resort to litigation. We don't want to pursue that course. We want to see this agreement succeed but it cannot succeed if staff is not going to be supervised by the Commission. We do not believe that you are aware of everything that is going on out there. To the extent that you are not, we ask that you assert a more



vigilant supervision over staff and make it clear that it is the policy of this Commission that workers will be paid prevailing wage, that workers will receive the benefits that they are entitled to, and this agreement will be adhered to.

Commissioner Berman said that this Commission will go into closed session to discuss this subject matter.

Mr. Rich Azzolino, Gateway Limousines, publicly thanked John Martin for working in a short period of time with a new Northern California limousine group to accommodate the group. He commended the Ground Transportation staff for listening to them as a committee and opening up avenues to continue to listen. They stated what they would do an did it in a timely manner.

He thanked everyone involved.

The following is a verbatim transcript of remarks made by Art Citron and John Darmanin regarding safety and emergency response.

ART CITRON: Good morning, Commissioners. My personal background ... I just retired as a member of the San Francisco Fire Department where I served for 34 years. The last 10 years with the Department I was the Chief Officer, the last five (5) years my assignment was San Francisco International Airport in charge of fire rescue.

I was at the Airport, assigned to the Airport division when the Master Plan came on line. I was required to come up with some kind of a plan for the Fire Department's involvement as the Master Plan evolved .... what kind of a role we can play.

At that time, the Airport Director, Mr. Turpen, informed me that he wanted professional consultants hired to come up with some kind of a plan for the Fire Department. It was a firm hired by the Airport that came on board and provided us with all of the information we needed concerning response times, personnel, equipment, new facilities. Everything we needed was done by experts.

It is my opinion that much of that information included in the report provided by those experts has been disregarded, ignored by the current Airport Administration.

It is my personal opinion that John Martin has failed to meet the basic safety requirements described by the experts, hired by the Airport and described by those experts as imperative.

Personally, I refused to compromise safety standards and was subsequently reassigned away from the Airport.

I suggest that Mr. Martin revisit the consultant report and pay close attention to all of the issues pertaining to safety and emergency response. Thank you.

COMMISSIONER BERMAN: Mr. Citron, I just want to make the record clear ... are you



speaking for the Fire Department or for yourself?

MR. CITRON: I'm retired. I'm speaking for myself.

COMMISSIONER BERMAN: Thank you.

Next. John Darmanin. You look familiar to me, John.

MR. JOHN DARMANIN: I think that's a positive statement.

My name is John Darmanin. I'm a sixteen (16) year veteran of the San Francisco Fire Department. I'm still currently in the San Francisco Fire Department. I have over 10 years experience at the Fire Department at SFO.

I'm here to basically continue to comment on my original concerns on safety at the Airport.

I was glad to see former Chief Arthur Citron here to echo my sentiments exactly, and probably more eloquently.

But I would like to just comment on a matter that I thought was being pursued by this Airport Commission that I believe has ended in terms of my charges of unsafe working conditions and emergency response times at the Airport.

It has come to my attention that Mr. John Martin sent a letter to this Commission on June 4th which addresses the unsafe emergency fire responses at the Airport.

Basically, this letter is my opinion and all of these comments are my personal opinion. I'm not here as a representative of the San Francisco Fire Department. I'm sure you'll ask me that at the end of my speaking.

But my opinion is that this letter is an attempt to mislead this Commission and the citizens of San Francisco and the travelers in and out of San Francisco International Airport.

In that letter he erroneously cites FAA requirements in regard to response times. He incorrectly assures you, the Commission, that SFO consistently meets FAA requirements. Well, I have a real problem with the word "consistent." Does "consistent" mean 50, 60, 70% of the time. If you're one of the persons having a heart attack are you hoping that you are in that "consistent" time frame?

I don't think that's acceptable, and that's not what Lou Turpen and the previous Airport Commissions have strived for San Francisco International Airport. That needs to be addressed and his letter does not address that whatsoever if he continues to use the legally acceptable word "consistent" which doesn't paint him into a corner.

If so, who or what decides what emergency aircraft responses are lucky enough to have the Fire Department arrive on the scene within the Federally mandated response times?



Does the Commission know that it takes only 90 seconds for a 747 to be fully engulfed in flames? Is this Commission aware that whenever an aircraft using the South Terminal, which is the furthest aircraft from current Fire Department station locations, ... are they aware that aircraft such as USAir that use those gates, if they have an emergency and call for assistance, it could take the Fire Department a minimum of five (5) minutes to arrive ... that's with no traffic whatsoever on the airfield ... and it has taken us as long eight (8) minutes to arrive there under pristine conditions. This is just unacceptable.

Last time I checked, USAir pays an equal percentage for fire protection as does United Air Lines who happens to be lucky enough to be positioned directly across from a fire station.

In Mr. Martin's carefully worded letter to this Commission on June 4th he claims that emergency medical responses are "consistently meeting standards". This is totally untrue. Just last week yet another emergency medical response took over 10 minutes. As a result, the Fire Department has assigned firefighters to be stationed in a trailer at the terminal. I hope that my comments about screaming about safety and unsafe conditions had something to do with that decision.

Unfortunately, firefighters are only there from 8:00 AM to 2:00 PM. Well, what crystal ball is Mr. Martin looking at to determine that medical emergencies are only going to occur between that time frame? I just don't understand it. This is just a bandaid fix to give the impression that he is doing something.

Because John Martin has refused to hire additional firefighters to staff that location 24 hours a day, luck would dictate that if a need for protection at the terminal exists between 8:00 AM and 2:00 PM, that the need for firefighters is present during the course of the entire day. You don't buy auto insurance just when you drive. The auto insurance is still in effect whether your car is in the garage or at the curb.

Placing firefighters at the terminal is merely a bandaid approach to correcting a problem that was brought to the Airport's attention nearly four (4) years ago. The problem is getting worse each day.

It is also important to mention that the firefighters recently positioned at the terminal location were removed from their normal assignment, which reduces the level of protection and fire services to the rest of the Airport and adjacent freeways.

Once again, John Martin has taken the bean counters approach to safety which continues to compromise the safety of employees, firefighters and any visitors to and from SFO.

To use John Martin's words, the Fire Department consistently operates two, three and sometimes four firefighters short of minimum staffing levels necessary to operate at acceptable levels of safety. This did not occur in the past.

Chief Citron refused to allow this to occur. The current administration unfortunately is tied by John Martin's numerous requests to the current Fire Department administration to look the other way.

I think that this Commission should be very concerned that on June 3rd, the day before you received that letter, John Martin had a meeting with Duke Briscoe, Deputy Director for



Operations, Ron Driscoll, Associate Deputy Director for Operations, Mr. Carl Bunch, the City Attorney with Airport legal staff, working with Mara Rosales, General Counsel, and also a representative for the Fire Department. The purpose of this meeting was to discuss the safety problems I brought to this Commission's attention and come up with a solution, a letter, something.

A carefully worded letter was collectively drafted by all of those who attended this meeting and was submitted to you with John Martin's signature on June 4, 1998. That letter is an attempt to provide a false sense of security to passify this Commission.

Please read between the lines. Get more information from an unbiased source. I offered my help. A letter was sent to me by Duke Briscoe requesting information. I advised him and this Commission at the last meeting that I would be happy to supply all of the information and evidence that I have, including that of the professional consultants that were hired by Lou Turpen, but that request would have to go through the chain of command because I do have bills to pay and I don't want to lose my job. I can't supply that information unless you request my Chief, Chief Robert Demmons to order me to discuss this matter with you. Otherwise, I'm putting my job at risk. And I don't plan on doing that. But I do plan on coming here as a private citizen and take as long as I can to come here out of my personal time to keep addressing this issue.

As you know, Duke Briscoe asked me to provide that information and evidence to support my allegations of compromised safety. I responded to Mr. Briscoe by informing him that his request for information had to go through the chain of command. The letter you received from John Martin on June 4, 1998 contained misinformation, distortions of the truth and it also ignored facts and documentation in John Martin's possession that supported all of my charges of unsafe fire operations.

I think that there is a pattern here. And I did not know that Marcy was going to be here speaking this morning, but I applaud her and everyone backing her for coming here and bringing their problems to your attention. But I see a pattern developing here. The problem with Airport staff has also been a problem with me and former Chief Citron at the Airport.

Airport General Counsel Mara Rosales and Airport Director John Martin have attacked my reputation and my credibility when I refused to compromise on safety issues when I was Airport Operations Officer at SFO.

As a result of those personal attacks against me, John Martin requested that I also be removed from my position at the Airport. Shortly after John Martin made that request, guess what, I lost my job at the Airport. But I refuse to go away. I will attend every Airport Commission meeting, if need be, until the safety concerns are addressed.

And I would just like to make a quick comment and I will finish up right now. John Martin made a comment about the reduction of accidents in and about the Airport. I assume that means freeways as well as inbound roads. That is false. The accidents have increased. They have not decreased. I think that it is outrageous that just because John Martin makes a statement that it is taken as fact.

Please look at all of the things that are being addressed regarding safety and you will find



out that safety does cost and, unfortunately this administration, unlike Lou Turpen when he was here, does not look at safety as a revenue generating entity. It is a revenue sucking entity. It always has been, it always will be, but unfortunately that is the cost of doing business. San Francisco Airport has always bragged about how safe it is. Unfortunately, they need to address the safety issues before numerous lawsuits start coming San Francisco's way. Again, the taxpayers are going to pay. People have been injured and people have died as a result of response times that are less than adequate. It is outrageous that this Commission ... I take that back. It's not outrageous. I think this Commission understands what's going on and I hope that you're going to continue to do what you're doing, but it could be outrageous if this Commission allows this to go unchecked. Please do something about this.

I don't have any motivation. I lost my job already at the Airport and I know that I'll never go back there. I'm still a firefighter last time I checked and hopefully I will continue to be. But, I can't, in good conscience, let this go without making my statement. Thank you.

COMMISSIONER BERMAN: Thank you. I'm not going to defend John Martin. This was a personal attack. You're not unbiased. But you may be valid on some of the issues. In order to put this situation to rest once and for all, I would suggest that you have Chief Demmons or somebody in charge of the Airport appear in front of this Commission the next time and allay our concerns or the concerns that were brought up today as to the effectiveness and the management of the Airport in conjunction with the San Francisco Fire Department.

MR. MARTIN: I'll ask Bob Demmons to be here. The message to Bob Demmons and the Fire Department is that we always want the highest level of emergency response and I act on his recommendation. I don't direct ...

COMMISSIONER BERMAN: These gentlemen may be well motivated but they don't represent the Fire Department. We want to hear from the Fire Department.

## J. CORRESPONDENCE:

There was no discussion by the Commission.

## K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The closed session convened at 11:00 AM.



The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation and threatened litigation by the ABC.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

## L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting

adjourned at 11:20 AM.

Jean Caramatti

Commission Secretary

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I'm here to talk to you today because, to be perfectly frank, I have exhausted all my avenues with the Airport staff, and you, the Airport Commission, are my last resort.

On May 16, 1996, the San Francisco International Airport and the Building and Construction Trades Council of San Mateo County entered into a contract referred to as a Project Stabilization Agreement (P.S.A.). Negotiations for this P.S.A. had begun in May of 1993. It had taken three long years to reach that point. So the day of the formal signing was a day I will never forget. In fact, I have a framed photograph and letter from John Martin hanging in the Building Trades Office. I would like to quote from that letter. "We are very pleased to embark upon this relationship with you and your Council's affiliates in pursuit of the timely conclusion of the Master Plan Construction Project. I also want to assure you that it is the policy of the Airport's Commission to vigorously implement, enforce and defend the Agreement." (Exhibit A)

Unfortunately, that relationship is gone and the promises are broken.

The Airport staff, on several occasions, has chosen to interpret the P.S.A. only to their benefit or to totally ignore it. I would like to present you with a few of the more glaring examples.

On or about January 23, 1997, the Electrical Union Local #617 filed a grievance pursuant to the P.S.A.. The Union's grievance asserted that Tutor-Saliba and Southeast Electric Company violated provisions under the P.S.A. to utilize the registration facilities and referral systems established by the appropriate union to obtain their members for the construction work.



The Joint Administrative Committee (J.A.C.) and all parties concerned met on February 26, 1997 to hear and resolve the dispute. After hearing all arguments, the J.A.C. concluded that Tutor-Saliba and Southeast were jointly and severally liable for their violation of the P.S.A.. There were monetary damages awarded to the union. I want to add that the J.A.C. decision was made with the full knowledge of the Airport Director. Upon notification of the decision, the contractors had a pure, unadulterated temper tantrum. The Airport staff became so concerned about the contractors' reaction, they asked the union to only accept the contributions to the Trust Funds as required by the P.S.A., withdraw their grievance and not accept any additional remedies. Although the Electrical union was not happy, they agreed. The J.A.C. had awarded them much more. The grievance had been upheld. Because Airport staff had such concern for the contractors, and to keep the spirit of our partnership with the Airport, the union withdrew the grievance as if it never existed. (Exhibit B)

During our negotiations for the P.S.A., we sometimes had very lively conversations as to what should be included in the Agreement. There was one topic that stands out in my mind because the conversations were long and many. The unions felt any construction work directly impacting the Airport Expansion done off-site should be covered under the Agreement. Airport staff was adamant that it should not. After a great deal of negotiating, it was agreed that, pursuant to the San Francisco Charter Section 7.204, the workers would at least be covered under prevailing wages and that section of the San Francisco charter would be placed in the P.S.A.. Under Article XI titled San Francisco Charter and Administrative Code. The Building Trades Council felt



comfortable that with the clearly worded section incorporated into the P.S.A., at the least, we were insured that the off-site construction for the Airport Expansion would be covered by the recognized prevailing wage.

In the summer of 1997, we became aware of off-site work on Mare Island in Solano County. Further investigation proved that work being done at Mare Island was work directly impacting the Airport Expansion. The contractors were fabricating and painting trusses that were to be used on the International Terminal. In conversations with Tom Kardos and other Airport staff concerning the enforcement of prevailing wages, I received only evasive answers. Phone calls and letters were sent to the Airport with no answers whatsoever. In October 1997, I asked for answers from attorney Carl Bunch who explained they were looking into the matter. Finally, in desperation, I called John Martin on the phone at 11:45 a.m. on December 19, 1997 and asked him to please get me some answers. He informed me that day that the Airport would be asking for certified payroll from the affected contractors. If the certified payrolls were not being paid, they would invoke Section 7.204 of the City Charter and enforce the payment of prevailing wages. I informed the unions of the Airport Director's decision and asked them to again request certified payroll.

On January 12, 1998, Mr. Bob Twomey of the Prevailing Wage Enforcement

Division sent a letter to Herrick Corporation and Tutor Saliba saying that on December

19, 1997 certified payroll had been requested for ABC Painting and XKT Engineering.

Mr. Kirchner of Tutor Saliba said they would not comply. On January 5, 1998, Nancy

Siddal of Herrick "bumped" the request upstairs. The letter of January 12, 1998 clearly



stated that according to the City Charter and the P.S.A. that ABC Painting and XKT Engineering were required to pay prevailing wages and the above named contractors were given one day to provide the certified payroll. On January 27 and February 2, respectively, the Painters and Iron Workers wrote letters asking whether the Airport had received the certified payroll, as requested. On February 5, 1998, Mara Rosales, General Counsel for the Airport, sent a letter to the Painters and Iron Workers saying that the Airport was still deciding whether there was a requirement for prevailing wages. I could not believe the statement of Ms. Rosales after the January 12, 1998 letter to Tutor Saliba and Herrick Corporation clearly stated according to the City Charter and the P.S.A. there was a requirement of prevailing wages. In the next month, I saw nothing in writing, but in conversations with Mr. Bob Twomey and City Attorney Carl Bunch, I learned that your General Counsel, Mara Rosales, after approving the January 12, 1998 letter, had re-interpreted the City Charter to not include payment of prevailing wages on off-site work. The Airport had not enforced prevailing wage requirements previously and were not going to start doing so. This was the same person who, in negotiations, would not include off-site work under the P.S.A., but agreed to site Section 7.204 of the City Charter in the P.S.A. so the workers would, at the least, be paid prevailing wages. I couldn't believe the General Counsel was doing this to us. With no other recourse, the Painters and Iron Workers consulted with their attorneys. On March 11, 1998, the attorneys sent a letter to John Martin and each of the Airport Commissioners stating our legal standing for payment of prevailing wages. The letter went on to say that if they did not hear from the Airport within three (3) weeks, they would have no recourse than to



move forward with a lawsuit. However, they did ask for an opportunity to sit down and discuss the issue and hopefully bring it to resolution without litigation. None of us were requested by the Airport to sit down and talk. Instead, on March 17, 1998, the unions received a one paragraph explanation from Mr. John Martin and I quote "It has been our long standing policy to monitor the prevailing wage for work performed in San Mateo County (our location) and San Francisco County (the owner of the Airport) only. We do not seek payroll information for work performed outside of these two jurisdictions, and therefore do not have the documentation you seek." That was it! After seven months of conversations, a one paragraph explanation. That was all we got! No legal standings - no explanation as to why the Airport did not abide by the City Charter. Nothing! Nada! Not even the courtesy of a letter to the attorneys. I never once received a phone call from General Counsel, Mara Rosales, through this whole time period. The same Mara Rosales who negotiated the P.S.A.. During this time, I would receive courtesy calls from Carl Bunch, for what that was worth. I asked to convene the Joint Administrative Committee and was told no because only a judge or the City Attorney could interpret the Charter. I thought it could not get any worse - but it did! (Exhibit C)

In June 1997 the Teamsters began investigating trucking contractors doing work out at the Airport. Due to the nature of the trucking industry, it is very difficult to continually monitor the contractors. The Teamsters had one field representative who monitored activities at the Airport full time. Mr. Al Nosenzo started coming to me in July 1997 relating his frustration with trying to monitor whether the truckers were on P.S.A. projects or engineering department projects. He had meetings with the Prevailing Wage



Department and Tom Kardos' department. He wanted information on who he should contact concerning which contractors were doing which work. He was told there was no mechanism in place to know what contractor was on what job. I found this to be inconceivable that on a project of this magnitude, there would be no mechanism in place. Prompted by this realization, I called for a meeting to include at least Tom Kardos. When we met, again, I was told there was no mechanism in place to know which subcontractor was on what job, much less whether they were on projects under the P.S.A.. I explained this needed to be rectified immediately or the P.S.A. could not be enforced. I also presented a solution to this terrible oversight on the part of the Airport staff. I was told they would look into it immediately. The Teamsters started requesting certified payroll on trucking contractors in July 1997 and were told some of the information was not available since the Prevailing Wage Ordinance Enforcement Division was still not up and running. This was one year after the P.S.A. was signed. The meetings between the Airport and the Teamsters and the run-around and lack of response to requests by the Teamsters continued for seven months! Finally in January 1998, the Teamsters had another meeting with Helen Lucas, the Director for the Prevailing Wage Compliance and Enforcement Division. While she still had no explanation as to why the Teamsters repeated requests for certified payroll had not been answered, she did explain one issue. The Department had made a policy decision that when a union asked for certified payroll, if the contractor was paying within 10% of the required prevailing wage - that was good enough. But if a worker reported non-payment of prevailing wages, the contractor was required to pay the exact amount. We were in total shock once again! Finally on February 23, 1998, the



Teamsters sent me a letter whereby they cited seven Articles in the P.S.A. where the Airport had not fulfilled their obligations. The Teamsters asked the Joint Administrative Committee to convene to hear arguments on where the Teamsters felt the Airport had breached the contract. The Airport sent a letter back asking for more detail. On March 31, 1998, the Teamsters wrote a letter to the Airport providing the additional details requested by the Airport. Finally on April 3, 1998, the Airport agreed to convene the J.A.C. to hear one of the seven alleged issues dealing with non-compliance. On April 16, 1998, the J.A.C. convened to hear the Teamsters' allegations. Phil Tarantino of the Teamsters, Theresa Lee, Deputy Director of Administration and Ron Gonzalez of the Prevailing Wage Enforcement Division attended the meeting. It was found that there had been 10 requests for certified payroll and two had been answered. Of those two, the contractors had not paid the correct prevailing wage nor had they paid into the appropriate trust funds as required by the P.S.A. and the Airport had not followed up requiring the contractors to do so. When asked why no enforcement and why the lack of follow up on the other eight requests for certified payroll, Mr. Gonzalez really had no concrete answers. We agreed to reconvene the meeting at a time whereby Mr. Gonzalez would have ample time to deal with both issues. On May 9, 1998, I received a letter by fax from an unnamed minority contractor. The letter was on Airport stationary signed by Helen Lucas inviting contractors to an Airport meeting to strategize and solicit their cooperation to lower the prevailing wage rate. When I confronted Theresa Lee about the letter, she said she knew nothing about it and would make sure the meeting was canceled. I was starting to grow very suspicious. On May 26, 1998, the Teamsters sent a letter to



the Mayor and Airport Commission explaining their issue and asking them to intervene. We have still heard nothing. On June 4, 1998, we reconvened the J.A.C. meeting. Again, the Teamsters had received a skeleton of the information they had requested. When Mr. Gonzalez was asked why, he said he did not have the information. We also learned that of the 41 trucking contractors doing work at the airport, possibly two had been paying into the required trust funds. When asked about the trust funds, we were informed it was not the Airport's responsibility to enforce that part of the Agreement. The Airport assumed it was our responsibility, even though they write the paychecks and have the right to withhold payments for non-compliance. The unions don't have any such authority. When pressed about the lack of certified payrolls, Theresa Lee finally admitted that the previous November, they had met with the non-union minority contractors and cut a side deal with them whereby the Airport would not enforce the payment of prevailing wages. It seems the non-union minority contractors complained they couldn't afford to pay prevailing wages. I find this very difficult to understand since it is actually the Airport paying the wages and the contractor is then tacking on his overhead at what he would then like to make. Is it fair that the workers do not receive their fair wages, but the contractor receives the payments he feels are fair to enhance his life and company. Since that meeting. I have learned that the agreement between the contractors and the Airport was that the contractors agreed to do a survey to hopefully lower the prevailing wages and take it to the Mayor and Board of Supervisors for approval. Even though we are party to the P.S.A., not once did Airport staff consult us about this situation. Instead for twelve months, the Building Trades Council and the Teamsters thought they had been working in



good faith with the Airport to rectify these problems. But the truth is for nine months the Airport staff and had been lying to us. Over the last two years in the name of "policy", the Airport has interpreted the P.S.A., the City Charter and state law in any way that makes it work best for the Airport and their contractors. This is a travesty in all definitions of the word.

Again, like Tutor Saliba and Southwest Electric and the Electrical Union, the Airport would like the Teamsters to withdraw their grievance and the Airport will try to come to some agreement with them. The Airport will pay the money into the Teamster Trust Funds, as required by the P.S.A. In turn, the Teamsters will forgive payment of prevailing wages for all previous contractors and contractors presently doing work. In exchange, the Airport will enforce payment of prevailing wages on all future projects out to bid. This is not acceptable in this form. Enclosed you will find a revised draft agreement that, if accepted in its entirety by the Airport, the Teamsters will consider as a resolution to their grievance. But again, we are being asked to give up our rights under the P.S.A. for the convenience of the contractors. Also enclosed you will find a letter to the Airport Commission from Chuck Mack, President of Teamsters Joint Council 7, expressing his concerns over the total disregard for the P.S.A. and the possibility of legal action if this issue is not resolved. (Exhibit D)

To bring to your attention another example, in July of 1996, I asked for a mechanism by which the Airport and the unions would be sure that contractors of all tiers would know there was a P.S.A. and agree to abide by it. Over the next several months, there was continued conversations, but no action on the part of the Airport. For over a



year, I requested a mechanism. As late as February of 1997, a mechanism still was not in place. I repeatedly made requests to Tom Kardos and other Airport staff. Not until January 1998, eighteen months after my initial request, was something actually done. As of May 13, 1998, only 272 of the 572 contractors presently at the airport have been accounted for. Not all of those 272 contractors signed affidavits. Some contracts are spelled out as too old or already completed. The P.S.A. has been in effect for two years and less than a third of the contractors have signed the Project Stabilization Agreement. (Exhibit E)

In February of 1997, the unions requested a meeting of the Airport Safety

Department and all affected contractors to discuss safety concerns we had at various

construction sites. Every one agreed we needed to pay more attention to safety issues. In

September of 1997, Randy Oyler, Iron Workers Local #377, found several safety

violations on Tutor Saliba's job on Parking Lot D. After nine days of speaking with Tutor

Saliba and Gary McDonald of OCIP at the Airport, the Iron Workers gave up and walked

off the job because they feared for their lives. Only then were the safety problems

rectified. There have been other safety problems to the point where workers have asked

to be removed from their jobs or refused work at the airport, not wanting to be subjected

to injuries or worse, loss of their lives. (Exhibit F)

You may have heard a recurring theme throughout this presentation. The theme is: What is best for the contractors. This Project Stabilization Agreement was not a contract signed by the Airport and the contractors. This P.S.A. was signed by the Airport and the unions. Not to say that we don't have concern for the contractors -- we do. But



our first concern is for the workers we represent and even for those we don't represent. We told you that the P.S.A. would be beneficial in employing minority workers. Your own reports from the Airport reflect that. There have been times where the reports have shown over 50% of the employees to be minority and women. We said the P.S.A. would not have a chilling affect on the minority contractors. Again, your reports reflect more minority contractors on the site after the P.S.A. than before. (Exhibit G)

Our latest issue from the Airport staff came in the form of a faxed letter which I received on Monday, June 15, 1998. I was told that the Airport had decided that the Joint Administrative Committee would not hear a grievance filed under the P.S.A. by the Laborers Local #389. First of all, let me explain that the Airport staff does not make the decision as to whether the J.A.C. will hear a grievance. The decision lies solely with the J.A.C.. Secondly, let me explain the Airport staff's reasoning. They did not feel the Laborers Union had the right to a grievance hearing because, according to the P.S.A., they had not filed the grievance in a timely manner. How galling -- that the Airport staff would dictate to the J.A.C. and base it on timeliness. This same Airport staff who waited nine months to give us answers to repeated questions about the P.S.A. and coverage of offsite work; this same Airport staff who spent 12 months avoiding requests for certified payroll on truckers only to tell the Teamsters, nine months after they cut a side deal with the nonunion contractors, that they were not requiring payment of prevailing wages. The same Airport staff who waited almost two years after the signing of the Project Stabilization Agreement to require general contractors and sub-contractors, at all tiers, to sign the affidavits making them legally signatory to the P.S.A.. The Laborers were late by a few



weeks in their response in comparison to the Airport and their months and months of repeated delays to our questions and issues. This last situation is like the "straw that broke the camel's back".

Chairman Berman, please understand I have done what you asked of me almost two years ago. That I exhaust every area before I come to you. Believe me when I say I have done that. (Exhibit H)

The Airport came to us proposing a Project Stabilization Agreement. We did not go to the Airport. The Airport wanted this Project Stabilization Agreement for two reasons: (1) No work stoppages and (2) a continued flow of qualified workers to do the job. We have lived up to our Agreement. There have been no strikes, no pickets, a stabilized project and a continual flow of qualified workers, sometimes to the detriment of other projects in San Francisco and San Mateo counties.

You, the Airport Commission, voted to enact this Project Stabilization Agreement. There are certain individuals such as your former Director Lou Turpen, who really wanted it and your present Director, John Martin, who definitely sees the value of it. We, the workers, have stabilized the construction at the airport; not your attorneys and not some of your Deputy Directors. We, the construction workers, working with and sometimes in spite of, the contractors, keep the project running smoothly. The cavalier attitude of some of your Airport staff has manifested into one insult after another. We in the Building Trades unions are intelligent people who take our promises and our agreements seriously, and more importantly, sincerely. We have lived up to our end of the Agreement. Now it's time for your Airport staff to do the same.



There are so many other things I could talk about, but I've taken enough of your time. But believe me, there are more issues. (Exhibit I)

So what do we do? I would request that the Airport Commission Chair appoint a sub-committee to work with selected representatives of the Airport and the Building Trades Council. We must have resolution to the issues I have raised and other issues. Please respect my request and let us move forward to rectify a situation that has become intolerable. If not, maybe the Building Trades Council and its affiliated unions should follow the example of the Airport and interpret the Project Stabilization Agreement to our benefit.

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# **MINUTES**

JULY 14, 1998 SPECIAL MEETING 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## **COMMISSIONERS**

HENRY E. BERMAN
President
ROLAND A. QUAN
Vice President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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	13.	FAA Lease for Federal Security Manager's Office Space	98-0181	10
	14.	FAA Lease Approval - Installation of Low Level Windshear Alert Systems (LLWAS)	98-0182	10
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#### Airport Commission Special Meeting Minutes July 14, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Roland A. Quan, Vice President

Hon. Michael S. Strunsky Hon. Linda S. Crayton

Absent: Hon. Larry Mazzola

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 23, 1998 were adopted unanimously.

No. 98-0169

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

E. ITEMS RELATING TO MASTER PLAN PROJECTS:

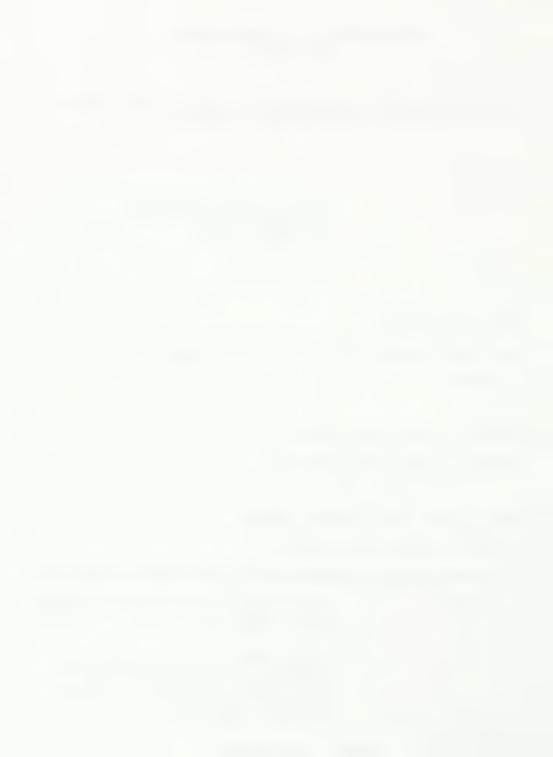
Item Nos. 1 and 2 were adopted unanimously.

1. Award Contract 5511A - Boarding Area A Apron - Ghilotti Brothers Construction, Inc.

No. 98-0170

Resolution awarding Contract 5511A, Boarding Area A Apron, to Ghilotti Brothers Construction, Inc., in the amount of \$16,799,688.

The purpose of this contract is to provide for the construction of the Boarding Area A aircraft apron. The 1.2 million sq. ft. apron consists of twelve widebody aircraft parking positions, aircraft taxilanes, two Remote Overnight (RON) aircraft parking



positions, taxilane lighting and underground utilities. This project is part of the new International Terminal Complex which is covered under the Master Plan. The Master Plan was the subject of a Program Environmental Impact Report (EIR) which was prepared by the City and County of San Francisco Department of City Planning, Office of Environmental Review, and certified by the San Francisco Planning Commission on May 28, 1992, all in accordance with the requirements of the California Environmental Quality Act, Cal. Pub. Res. Code Sects. 21000 et seq (CEQA) and Chapter 31 of the San Francisco Administrative Code.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that the purpose of this contract is to construct the 1.2 milion sq. ft. aircraft apron around Boarding Area A, accommodating 12 widebody aircraft positions, taxilanes, three (3) remote overnight aircraft positions, taxilane lighting and underground utilities.

Four bids were received on June 3, 1998, with Ghilotti Brothers submitting the low bid. One bid protest was received from Interstate Paving & Grading alleging that Ghilotti's bid was incomplete due to material omissions and failure to list LBE truckers in the subcontract list.

Airport and City Attorney's staff reviewed the alleged omissions and concluded that they did not represent material change to the bid and the resolved bid amount remained the lowest submitted bid. The Human Rights Commission and Airport staff reviewed the issue of LBE trucker listing and found that Ghilotti was not obligated to list them as they performed work less than 0.5% of the contractor's bid.

Based on these analyses, staff determined Interstate's protest to be without merit.

Ghilotti Brothers' proposed 25.8% MBE / 11% WBE program exceeds the 10%/6% goals set for the project. The \$16.8 million low bid is well within the baseline budget's applicable allocation of \$20 million.

Commissioner Strunsky noted that page 2 of the memorandum referred to a "corrected bid amount."

Mr. Kardos explained that there were two items in the bid where Ghilotti did not multiply out the unit price. The other item had incorrect multiplication. The corrected bid amount of \$16,799,000 is still the lowest bid.

Commissioner Strunsky asked if this was a unit price contract or a lump sum contract.

Mr. Kardos responded that this is a lump sum contract based on bid items.

Commissioner Strunsky did not understand why we shouldn't be paying \$16,438,000 for this job rather than \$16,799,000. The contractor submitted a bid with a mathematical error. He can either withdraw his bid and claim an error, or do the work



at the lower price. The contractor would not be making the point if he had submitted a higher bid in error.

Mr. Kardos agreed.

Commisioner Crayton asked if this has occurred before.

Mr. Kardos responded that it has.

Commissioner Crayton assumed that we were not setting a precedent.

Mr. Kardos responded that we are not. Mr. Kardos corrected himself and said that it is a unit price contract.

#### 2. Approval of Artwork Design

No. 98-0171

Resolution approving artwork design by Carmen Lomas Garza for wall at Gate 2, Boarding Area G, North Terminal.

Ms. Susan Pontious, San Francisco Art Commission presented the design by Carmen Lomas Garza for the fifth wall in Boarding Area G. The design is an image of two fandango or folkloric dancers looking through the artists studio and watching the artist paint the image. It will be created out of water jet cut copper, clear coated so that it maintains the copper color and mounted on cobalt blue panels.

## F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 3 through 6 were adopted unanimously. Commissioner Berman was unanimously recused from voting on Item No. 3 due to a conflict of interest.

3. <u>Award of Professional Services Contract - Runway Reconfiguration Feasibility Study and Plan - URS Greiner Corporation</u>

No. 98-0172

Resolution awarding a Professional Services Contract for preparation of a Runway Reconfiguration Feasibility Study and Plan to URS Greiner Corporation in an amount not to exceed \$1,356,000.

Mr. John Costas, Deputy Director, Bureau of Planning and Environmental Affairs explained that URS Greiner will perform a study for a lump sum of \$926,000. The study will be completed by December 31, 1998, an aggressive but a doable schedule.

In the event that there is insufficient published geotechnical data to reasonably determine the construction methods and the cost of a runway system, the contract provides for an optional lump sum amount of \$230,000 for geotechnical borings of the bay. Also included in the contract is a time and materials budget of \$200,000 for



additional unforeseen services

Greiner has seven (7) M/WBE members on their team, representing 24% of the dollar value of the contract.

Mr. Tim Treacy, Airport Noise Committee said that he was surprised to see that this issue has progressed from a feasibility study. He has not had the opportunity to review the document which the Commission has been asked to approve.

The concern is that public presentation has been focused on the Runway 28 reconfiguration. Their interest lies in what has not been made public on the Runway 1 extension and the operational plans that are attendant to it. The Airport Noise Committee's concern is over the resulting noise shift from Peninsula cities to the residential areas of San Francisco.

He would like to know what this plan is and he would like to receive a copy of the document.

Commissioner Berman said that the Director has assured him that there will be no increase in the noise level in San Francisco.

Mr. Martin added that any runway reconfiguration plan that would result in a shift in noise to San Francisco would be unacceptable and could go nowhere.

Assuming that we find a runway reconfiguration that we believe is viable, a new Master Plan would be undertaken, the 20/20 Master Plan, as well as a new environmental impact review. This is just the first step in a very lengthy process.

We are thankful that we have the participation of all of the stakeholders, Mr. Treacy and the San Francisco Noise Committee.

#### 4. REMOVED FROM CALENDAR

 Approval of a Ten-year Lease at the North Field Cargo Facility to Federal Express Corporation for Air Cargo Operations

No. 98-0173

Resolution requesting approval of a ten-year lease to Federal Express Corporation for space in the North Field Cargo Facility comprised of 108,015 sq. ft. of warehouse space and 17,228 sq. ft. of office space.

Mr. Bob Rhoades, Deputy Director, Business and Finance said that this item seeks approval to issue a lease to Federal Express for use of space in the new North Field Cargo Facility.

Federal Express has been a tenant at the Airport since approximately 1980. They move approximately 112,000,000 pounds of small freight a year. They currently occupy space under a permit for just under 100,000 sf. ft.



This is a ten year lease for 180,015 sq. ft. In the event that the Airport decides that it wants to do something with that facility, the lease also provides for a buy out provision with one and a half years notice.

Commissioner Berman asked how the Domestic Partners situation is being handled.

Mr. Rhoades explained that language has been added to the lease indicating that Federal Express has beneficial occupancy of this area pending the outcome of the court case. If the decision is in favor of the City, Federal Express must either decide to comply with the non-ARISA portion of the legislation, or terminate the lease. If they decide to terminate the lease, they will have six months to vacate the property.

Commissioner Strunsky noted that escalation is based on the CPI, but the CPI may be drifting away from realistic increases in operating expenses for us. Although this lease is a done deal, he suggested that CPI escalations be reviewed as either some facit of Airport operational expenses or a pre-determined fixed escalation for future leases. The CPI has been unresponsive to the costs of operating real estate in the last few years.

Commissioner Quan noted that improvements would be amortized on a straight line basis. Will that penalize the Airport if Federal Express only stays a year or two?

Mr. Rhoades responded that when a tenant is bought out, the next tenant usually uses as much of the fixed equipment as possible ... the lower conveyor system, scizzor lifts, the typical cargo-operating types of equipment ... and that tenant would be charged accordingly.

#### 6. Additions and Modifications to the Airport Capital Plan

No. 98-0174

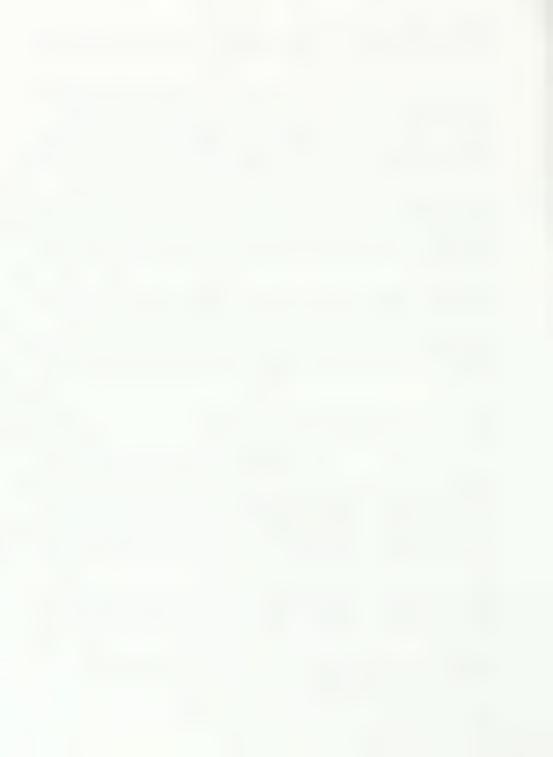
Resolution approving additions and modifications to the Airport Capital Plan totaling \$57,053,000.

Mr. Marcus Perro, Chief Financial Officer, Business and Finance said that this is the first time since 1994 that we have presented a package of Capital Improvement projects for advance approval. These projects have been presented to the Airline Affairs Committee, as required by the Lease and Use Agreement. The Airline Affairs Committee has approved the projects, with the exception of four. In those four cases the 180 moratorium has expired.

Those four projects require Commission approval. Three of them relate directly to safety and security. The other project relates to Communications requirements of the Capital infrastructure projects. This infrastructure fits within the \$125-million cap on Airport fees.

Commissioner Crayton assumed that any proposed additions to the runway is included in this document as well.

Mr. Perro responded that it would relate to the existing runways.



Mr. Martin added that funding for the consultant contract just awared comes from the Capital Plan.

Commissioner Strunsky said that problems have occurred in Kuala Lumpur and Hong Kong in getting computerized operating systems up and running at the same time as the building. He hoped that within the Capital planning for the year 2000 we would have adequate expertise planned and budgeted for. He would like to establish a test bed of some sort for the system so that it can be run ahead of time. He would be very responsive to spending money to insure that our systems are operating when the new International Terminal opens.

Mr. Martin said that security and special systems is a major concern for him as well. The Master Plan Advisory Board Committee is paying close attention to this. A subcommittee has been created with more technical expertise consisting of Airport staff, our consulting team, and our contractors. They will pay close attention to special systems, identifying any problems early on and fully testing all of the systems before we are operational. This will continue to be one of the areas that we will pay most attention to, particularly in view of the Hong Kong and Kuala Lumpur experiences.

Commissioner Strunsky thought that it might make sense to assign someone to find out what happened at those two locations so that we can respond to our own issues.

Mr. Martin thought Commissioner Strunsky had a good idea.

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

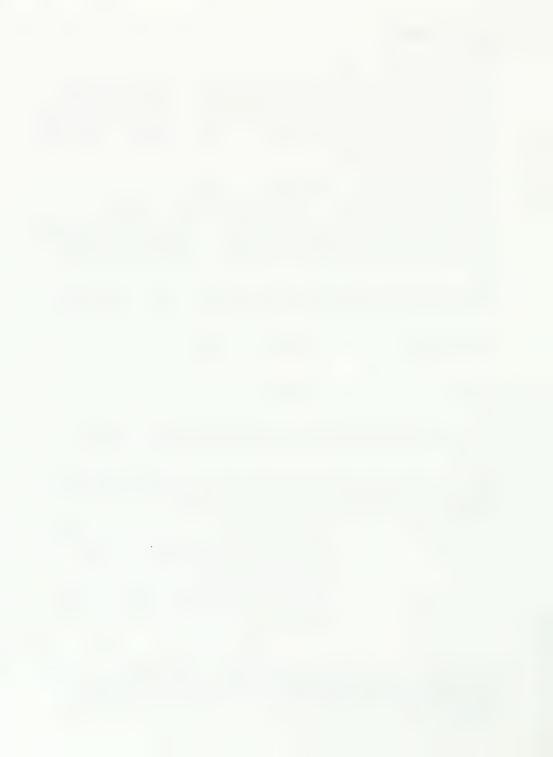
Commissioner Crayton was unanimously recused from voting on Item No. 9 due to a conflict of interest. Commissioner Quan was unanimously recused from voting on Item No. 10 due to a conflict of interest. Item Nos. 7 through 16 were adopted unanimously.

 Rescind Award of Professional Services Contract No. 5521.4 - Materials Testing and Special Inspection for Boarding Area G Apron, Emergency Response Facility No. 4, and Police Training Facility - Superior Analytical Laboratories

No. 98-0175

Resolution awarding Professional Services Contract 5521.4, Materials Testing and Special Inspection (MTSI) for Boarding Area G Apron, Emergency Response Facility (ERF) No. 4, and Police Training Facility to Superior Analytical Laboratories in the amount of \$417,447. Superior Analytical Laboratories requested to be allowed to resign from the project.

 Award of Professional Services Contract No. 5521.5 - Materials Testing and Special Inspection for Boarding Area G Apron, Emergency Response Facility No. 4, Police Training Facility, and Communications Center Expansion - Construction Testing Services, Inc.



No. 98-0176

Resolution awarding Professional Services Contract 5521.5, Materials Testing and Special Inspection (MTSI) for Boarding Area G Apron, Emergency Response Facility (ERF) No. 4, Police Training Facility, and Communications Center Expansion to Construction Testing Services, Inc. in the amount not-to-exceed \$463,560.

Commissioner Crayton was unanimously recused from voting on Item No. 9 due to a conflict of interest.

9. <u>Modification No. 1 to Professional Services Contract No. 5001.01, Landscape Master Plan and Approval of Landscape Master Plan</u>

No. 98-0177

Resolution approving the Landscape Master Plan and Modification No. 1 to Professional Services Contract 5001.01 with Merrill + Befu Associates, Melvin Lee Associates, Orsee Design Associates, and Stevens & Associates, a Joint Association.

Amount of the Modification is \$430,000. This modification provides for architectural engineering services for design, construction documents, and bidding and construction reviews. The modified contract amount of \$540,000 (\$110,000 - original plus \$430,000 - Modification No. 1) will be funded by Master Plan (\$123,450) and Capital Project (\$416,550) funds.

Commissioner Quan was unanimously recused from voting on Item No. 10 due to a conflict of interest.

 Modification No. 18 to Professional Legal Services Agreement (Noise/Environmental Contract) with Morrison and Foerster

No. 98-0178

Resolution approving Modification No. 18 to Professional Legal Services Agreement with Morrison and Foerster to increase compensation in the amount of \$500,000 to cover Noise/Environmental contract issues. All other terms and conditions of the contract to remain in full force and effect.

 Modification No. 5 to Professional Legal Services Agreement with Law Firm of Ruiz & Sperow

No. 98-0179

Resolution approving Modification No. 5 to Professional Legal Services Agreement with Ruiz &



Sperow (formerly known as Ruiz & Schapiro) to increase compensation by the amount of \$250,000; all other terms and conditions of the contract to remain in full force and effect.

#### 12. Modification No. 2 to Airport Shuttle Bus Agreement

No. 98-0180

Resolution modifying the basic and incremental hourly rates retroactive to January 1, 1998 with annual expenditures not to exceed \$5-million, authorize additional maintenance positions, and approve a customer service training program for SFO Shuttle Bus Company personnel at a cost not-to-exceed \$20,000.

Commissioner Strunsky asked if this is an approval of a change.

Mr. Martin explained that this is both a change in the rate as well as an approval of the expenditures for the new fiscal year.

#### 13. FAA Lease for Federal Security Manager's Office Space

No. 98-0181

Resolution approving and authorizing the execution of FAA Lease No. DTFA08-97-L-17449 for Federal Security Manager's office space.

## 14. FAA Lease Approval - Installation of Low Level Windshear Alert Systems (LLWAS)

No. 98-0182

Resolution authorizing execution by the Director of FAA Lease No. DTFA08-98-L18490 for installation of LLWAS facilities at site Nos. 1, 7, 9 and 10 and directing the Commission Secretary to forward to the Board of Supervisors a resolution seeking approval of the lease.

## 15. Project Application for Airport Improvement Program Project No. 3-06-0221-98-01

No. 98-0183

Resolution granting the Director authorization to execute and file a project application with the Federal Aviation Administration (FAA) for Federal assistance in the amount of approximately \$11,500,000.

# 16. <u>Acceptance and Expenditure of Additional Federal Aviation Administration (FAA)</u> <u>Funding for K-9 Explosives Detection Team Program</u>



No. 98-0184

Resolution adopting the authorization to accept and expend additional Federal Aviation Administration (FAA) Funding of \$348,000 for the K-9 Explosive Detection Team Program.

\* \*

#### H. DIRECTOR'S REPORTS:

#### 17. Report on Fire Safety Preparedness at the Airport - ORAL REPORT

Mr. Martin said that the Fire Department has provided outstanding service through all of the years that he has been at the Airport ... since 1981. Duke Briscoe has been Deputy Director for Operations for more than 15 years and has directly overseen the Fire Department's services. He asked Mr. Briscoe to give a report.

The following is a verbatim transcript of this item.

MR. BRISCOE: For the record, my name is Duke Briscoe. I am currently the Deputy Airport Director for Operations. I've been in the airport business for over 50 years, the last 17 at San Francisco.

During my tenure as Deputy Airport Director I have had the pleasure of working with five Fire Chiefs and at least three Operations Training Officers. They've done dedicated, professional jobs in their individual roles. I'd like to include the current Fire Chief, Ray Balzarini, and the current Operations Training Office, Joe Wilson.

I'm here to assure the Commission and the public that safety and security continue to be the Airport's number one priority, and, more importantly, that fire safety at the Airport has not been compromised.

We continue to be at the same level of safety that we've always been and, frankly, pride ourselves in being among the leaders in the aviation industry in terms of safety and security.

COMMISSIONER BERMAN: I'd like to add something to that. I have a little interest in both ... I have two hats that I wear in this instance. Having been on the Fire Commission and the President of the Fire Commission, and knowing of the relationship between the Fire Department and the Airport that has been enhanced ... as a matter of fact, John and I had lunch with Chief Demmons and Commissioner Roff, ... I think it was yesterday ... and the on-going relationship and the cooperation between the Fire Department and the Airport and the people out there is commendable. I want to let everybody know that we have a great relationship with the Fire Department. They've always done what we've asked them to do, and we've always provided them with the resources to do what they think was necessary to have a good, efficient, safe operation at the Airport.

MR. BRISCOE: The Fire Department is a great outfit.



RAY BALZARINi: My name is Ray Balzarini and this month I'm beginning my 25th year of service to the San Francisco Fire Department. Besides being assigned to the Airport as Assistant Chief, I served for seven years as Captain under four Chiefs at the Airport Fire Department.

During my tenure at the Airport, I've had the opportunity to work with prior Airport Director Lou Turpen as well as present Director John Martin.

Being assigned to the Airport division, I was asked to address the effectiveness and management of the Airport in conjunction with the San Francisco Fire Department.

Airport Fire Department responses are divided into two categories ... aircraft responses regulated by Federal Aviation Regulation FAR Part 139, the other category includes streetside incidents.

The \$2.4 billion Master Plan Project has had absolutely no impact whatsoever on airfield operations. However, there has been a slight impact on streetside incidents and response times to the terminals due to construction, traffic, road conditions. This slight impact, however, does not rise to a level that poses a safety concern.

The Fire Department and Airport personnel give constant consideration to life safety, emergency incident stabilization and property conservation. I believe that we have been proactive in our steps to maintain the best service possible during this challenging transition.

Actions taken include daily monitoring of factors that impact response times, including construction schedules, traffic patterns, passenger loads, and weather.

I have personally reviewed incidents that have exceeded the response time goals, and as problems were identified steps were taken to remedy them.

There has been discussion regarding meeting FAA requirements, standards concerning the Fire Department and Airport safety. I want to assure you that we meet all and any applicable FAA standards and requirements.

I reiterate that Airport safety continues to be first and foremost on the minds of both the Fire Department and Airport personnel. In my opinion, any allegations to the contrary are unsupported.

COMMISSIONER BERMAN: I think that John Darmanin wishes to address this. You asked twice. I'm going to limit you to three minutes on both.

JOHN DARMANIN: I submitted a card for the agenda item as well as the public comment portion. I submitted two separate cards. But this is fine.

I want to thank you for the opportunity to speak here today. I'm speaking as a private citizen, not as a member of the Fire Department.



I'm happy to see that the Airport Commission has taken many of the problems I've cited with the Fire Department's inability to maintain the level of service that it has in the past.

The problems still exist. There are problems. And I echo Deputy Director Duke Briscoe's comments about the Fire Department's ability to perform well. I also concur with Chief Balzarini regarding his experience within the Fire Department. He is a very capable firefighter and a very capable Chief. As is the Deputy Director a very capable Operations person. I had the pleasure of serving under both of them for over ten years at the Airport and also worked directly under Chief Balzarini when he was Captain.

My concerns, however, still exist regarding the slight problems that Chief Balzarini mentioned. I guess it's just how you interpret what problems are.

The response times on a daily basis exceed the three minutes that Director John Martin has proclaimed to exist in response times at the Airport. Just look at any single day in terms of responses. That's a pretty bold statement to make. Look at the response times. Check with Communications. They are over three minutes.

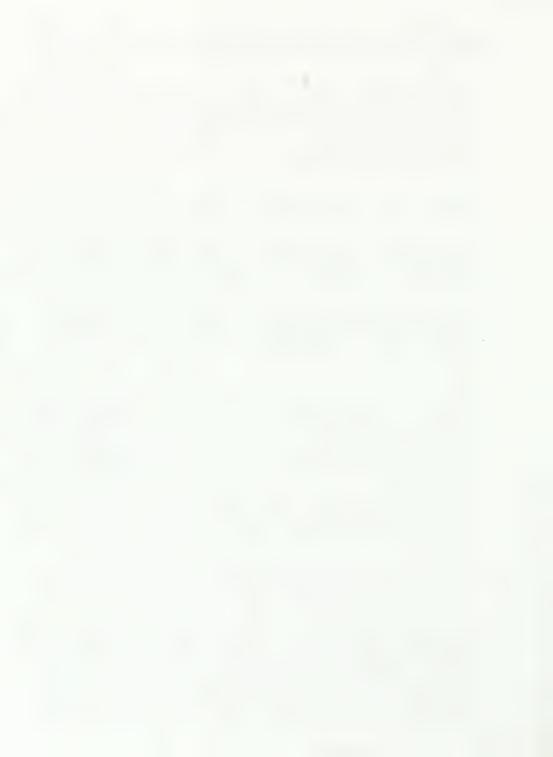
The problem arises when one or two of those calls happen to be for a heart attack victim. No one cares if someone shows up late for a fender bender or for a trash fire. Luckily at the Airport we have very few major fires. We have had some, but very few so we don't have the publicity on those items if we show up in ten or 12 minutes.

The fact remains that when we do have heart attack victims at the Airport there is a problem in responding in three minutes or less. I cited several dates to you ... April 2, 1997 a heart attack victim; on May 3, 1998 there was another heart attack victim and both of those took well over 10 minutes for us to respond. Unacceptable. On June 26 we took so long to get to a location of a heart attack victim the Fire Department was cancelled. Once the ambulance got there they assessed the situation and said don't even bother. So they cancelled the response.

These are not isolated incidents. They happen every single day in one form or another. What is slight is whether or not they are heart attack victims or not. That is Russian Roulette that I don't think this Airport Commission should accept.

There were many proactive ways to reduce that number, one of which was a temporary fire station which John Martin decided to eliminate from the project. I understand the permanent fire station facility has also been delayed, which was another reason why we wanted the temporary fire station facility.

Just in closing, I would like to thank this Airport Commission for taking my charges of problems at the Airport seriously. In no way do I want to suggest that the Fire Department is not capable of doing the job. But, unfortunately, the limitations that are placed on them by Airport Director John Martin and his budget staff is the problem. Not the Fire Department. They have the ability to do the job in a much better way than it has now. I'm sure that Chief Balzarini would tell you that he can do a better job if he had the resources. Whether or not that's acceptable for this



Airport when they brag about how they are the best in everything it does is what I'm referring to.

Thank you for the time.

COMMISSIONER BERMAN: Before you go ... for the record, your status in the Fire Department is what?

MR. DARMANIN: I'm still employed with the San Francisco Fire Department.

COMMISSIONER BERMAN: Are you on leave?

MR. DARMANIN: I'm not currently working. I'm on leave right now. Yes.

COMMISSIONER BERMAN: Can I ask you, out of curiosity, how do you manage to monitor ... it seems that that's what your doing ... the activities out there? It may be commendable ... will you explain it to me?

MR. DARMANIN: How do I have such specific information? All of the information I mentioned to you is public record. There was also reported a story on the April 2nd heart attack victim that died ... his name is Paul McCarthy, a cousin to former Lt. Governor Leo McCarthy, so it did make the news. That was on April 2, 1997. As far as the other items are concerned, those are a matter of public record. Anyone that has a scanner can hear the calls, anyone that's working at the Airport Fire Department either hears it before or after it might occur. The Fire Department has a way of getting information out to anyone that is within the Fire Department. That information gets disseminated.

COMMISSIONER BERMAN: While you're here do you want to comment on Item I?

MR. DARMANIN: No. I actually put that card in because I did not know if I would have the opportunity to speak.

\* \* \*

#### I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.



#### J. CORRESPONDENCE:

Commissioner Crayton asked why there are no baggage handlers in the baggage claim areas.

Mr. Martin responded that he would look into it and provide a report to the Commission.

#### K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The closed session began at 9:40 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel to consider the settlement of an unlitigated claim by Ron Driscoll; and, to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting reconvened at 9:55 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

#### L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:57 AM.

Jean Caramaπι Commission Secretary



## SAN FRANCISCO AIRPORT COMMISSION



AUA 2 7 1998 SAN FRANCISCO PUBLIC LIBRARY

# MINUTES

August 4, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING 401 VAN NESS AVENUE CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

### **COMMISSIONERS**

HENRY E. BERMAN President MICHAEL S. STRUNSKY LARRY MAZZOLA LINDA S. CRAYTON CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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### Airport Commission Meeting Minutes August 4, 1998

#### CALL TO ORDER: Α.

The regular meeting of the Airport Commission was convened at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

#### B. ROLL CALL:

Present: Hon. Roland A. Quan, Vice President

> Hon. Michael S. Strunsky Hon, Larry Mazzola Hon. Linda S. Crayton

Absent: Hon. Henry E. Berman, President

#### ADOPTION OF MINUTES:

The minutes of the special meeting of July 14, 1998 were adopted unanimously.

No. 98-0186

### D.

ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti. Commission Secretary announced unanimous adoption of Resolution No. 98-0185 regarding the settlement of a claim by Ron Driscoll at the closed session of July 14, 1998.

#### E. DIRECTOR'S REPORTS:

#### 1. Master Plan Quarterly Update

Status report on the Master Plan Projects as of June 15, 1998, in accordance with the Baseline Budget and Schedule.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that by the second quarter of 1998, the Airport awarded \$2.061 billion, or 86% of the program budget excluding contingency and management reserve. In terms of construction only, a total of \$1.633 billion, or 88% of the budget has been awarded through the reporting period. New construction contract awards during the last



quarter totaled \$15.2 million. Total contract awards during this quarter amounted to \$25 million including contract modifications in both construction and professional services contracts.

Over the next six months we anticipate awarding approximately \$29 million in construction contracts. The total awarded percentages will reach 87% of the program budget, or 90% of the construction budget ... both excluding contingency and management reserve.

Invoices approved since the last report totaled \$158 million, bringing the total invoiced amount to \$1.106 billion or 43% of the total current budget.

Contingency usage to date is \$66 million, or 45% of the \$147 million budget compared to a completion level of 43% based on approved invoices. The current management reserve budget is \$118 million, a \$2 million decrease from the previous report due to the increase in the scope of the International Terminal's material testing contract. The current forecast for the management reserve budget at completion is \$102 million, a \$4 million decrease from the previous report due to additional trends and change orders in the International Terminal.

The total program reached 46% completion with 82% design completion and 45% construction completion.

As reported before, inclement weather conditions experienced during the first part of 1998 had a negative impact on the momentum of construction activities. The facilities most impacted were the road improvement projects, the International Terminal, Boarding Area A, the ART guideway. To compensate for the delays, we are proceeding with selected acceleration of critical work tasks. Current forecasts shows the May 2000 opening of the International Terminal to be attainable.

The International Terminal schedule shows a one month slippage compared to the original schedule. This is a one-month improvement over the last reporting period. Our work acceleration program is targeted to recover this schedule slippage within the next six months.

Boarding Areas A and G are proceeding on schedule for an August 1999 and April 1999 respective completion.

Both the elevated circulation roadways and the inbound/outbound ramps projects require selective acceleration to maintain the original schedule.

The ART operating system supply contract is in its design phase. Full passenger service is scheduled for December 15, 2001.

The three securities and special systems contracts are in the design stage and have begun contract submittals and some conduit installation.

In the area of job safety our actual rate of 6.20 for recordable incidents, improved slightly compared to our last report, but is still above our goal of 5.3, 50% of the Federal average. Our lost time incident rate of 2.51 is slightly above our goal of



2.45, also 50% of the 4.9 Federal average.

The MBE/WBE participation is 22% / 5% respectively on the program level. A breakdown by the major sub areas is presented in the report.

In summary, the Master Plan Implementation Program is proceeding on the basis of selective work acceleration to minimize the weather impacts while remaining within the baseline budget and schedule.

Commissioner Strunsky congratulated Mr. Kardos on this optimistic report.

Commissioner Strunsky noted the terrible problems encountered by Hong Kong and said that it appears that they were encountered because they did not adequately check out the facilities and personnel training. He hoped that adequate consideration is being given to both of these issues.

Mr. Kardos responded that the activation process includes all Airport departments. Departments are methodically approaching the activities required for the testing ground, as well as staffing up the facilities.

Mr. Martin said that the Commission will receive a briefing on the activation plan in September. Periodic reports will follow.

Commissioner Quan noted the increase in concession costs under the Capital Improvement Program and asked if that was separate from the Master Plan.

Mr. Kardos responded that it is different funds.

Mr. Martin explained that it was decided in an agreement with the airlines that it would not be included as part of the Master Plan Program, but would be funded separately from the Airport revenue bonds.

Commissioner Quan assumed that the increase projected for this quarter would be stable for future quarters.

Mr. Kardos responded that we have forecasted the cost, but we have not transferred the budget for it yet.

Commissioner Strunsky asked if the ART system has been accelerated.

Mr. Kardos responded that staff is working on it, but we are not in a position to say for sure whether it is feasible or not. We are in the design phase, but until the design is finalized and the production schedule is in place we cannot say for sure.

### F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.



G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 2 through 5 were adopted unanimously.

2. Approval of Additional Funding for Rental Car Facility Improvements

No. 98-0187

Resolution approving the addition of \$3,048,666 to the Rental Car industry rental rate base for nonproprietary equipment and impovements to the new Airport Rental Car Facility (RAC).

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that as a result of negotiations between the Airport, the rental car industry and the airlines, the Airport is building the rental car center, known as the RAC. Using the Airport's general revenue bonds will result in a savings to the Airport and the industry.

The car rental companies will pay \$1-million a year to the Airport's revenue base in recognition of these savings.

Improvements that the rental car industry agreed to were primarily common area improvements. We would like to take back control of those improvements and fund to have them done. The improvements are not proprietary. At the end of the term, whether it's five years or the full ten year term, these improvements will revert to the Airport and be used by future tenants.

There is room within the \$108 million budget for this. The agreement calls for the rental car industry to repay the Airport on a ten year basis. It will include full debt service, any finance charge associated with this particular piece of the revenue bonds, as well as that portion of the million dollar savings realized in the base rent.

Commissioner Strunsky thought this was a good idea. He asked what the common areas included.

Mr. Rhoades responded that they include the common area signage program, the building signage, surveillance camera equipment, security equipment, the fuel system, pipelines to the fuel system.

3. <u>Authorization to Conduct a Pre-bid Conference - Main Restaurant Lease for the New International Terminal</u>

No. 98-0188

Mr. Rhoades said that over the past few years staff has been planning the concession program for the new International Terminal. This is the first item in the food and beverage program.

We want to expand the food offerings at the Airport to reflect San Francisco. This



particular facility will be approximately 7,000 sq. ft. and will be limited to San Francisco restaurateurs. The term of the lease will be 12 years and will have a minimum annual guarantee of 12% of gross revenues or the bid minimum guarantee, whichever is greater.

Staff has a fairly extensive list of restaurateurs that we will market to.

Commissioner Strunsky suggested that some sort of bond be provided by the tenant guaranteeing a continuing payment of minimum monthly rent until the space is re-leased in the event the lessee fails.

Mr. Rhoades said that a six month performance bond is required.

Commissioner Quan thought that the performance bond was used in the event of non-payment of rent.

Mr. Rhoades responded that the performance bond covers six months rent based on the minimun annual guarantee in the event a lessee fails. It becomes a question of when do they fail, and how long before they leave? The performance bond is generally used against back rent in the event a tenant goes out of business.

Commissioner Strunsky asked if six months is enough.

Mr. Martin responded that he would be concerned that a higher bond would scare away bidders. He would not allow the Airport to be exposed to a six month non-payment situation.

Commissioner Crayton said that unless history demonstrates that a six month performance bond is not achieving its goal, we should continue with it.

Commissioner Quan asked if the 7000 sq. ft. included kitchen space, and what the seating capacity of the facility will be.

Mr. Rhoades responded that it includes the kitchen. Seating capacity will depend on the design.

Commissioner Crayton asked if we currently had a comparable facility.

Mr. Rhoades responded that the Bay View would be comparable.

Commissioner Strunsky asked if the pre-bid meeting will indicate if the anticipated size of the facility is adequate.

Mr. Rhoades responded that it should.

4. <u>Authorization to Conduct a Pre-Bid Conference - Two Small Business Enterprise</u>
<u>Set-aside Leases for the New International Terminal Food and Beverage Program</u>

No. 98-0189 Resolution approving lease specifications and



authorizing staff to conduct a Pre-bid Conference for two Small Business Set-aside Leases for the New International Terminal Food and Beverage Lease Program.

Mr. Rhoades explained that the original food and beverage program proposal included a signature restaurant and a single master lease requiring a 40% DBE participation.

Since that time we have rethought how we would go about this particular program and we believe that we should set aside these two opportunities. They will be outside of the master lease holder. We are proposing two DBE set asides ... one is a casual dining facility and one is a food cluster.

Commissioner Quan indicated concerns over the SBE definition and the subcontracting program for the master lessor. He asked if we could require the master lessor to use new subcontractors on future contracts.

Mr. Rhoades responded that that is our objective.

Mr. Martin said that he is evaluating it and hopes to have a resolution before the Commission that will cap the amount an SBE can have at the Airport. Once a cap of \$8-million or \$10-million is reached, they will no longer be accepted as an SBE sub or stand alone bidder.

Commissioner Quan said that he was not only concerned about the volume but the fact that some SBEs could be at the Airport for 10 or 20 years under the current definition. This limits opportunities for other SBEs.

Mr. Martin explained that the problem we face is the Federal restriction that defines SBEs as anything less than \$30 million.

Commissioner Quan said that \$30 million and less includes everyone but a handful of people. We need to get new SBEs involved in the process.

Mr. Martin said that he continues to work with the FAA to change this figure. Staff is working at marketing to get new SBEs into the Airport environment.

He would like to see the existing food and beverage sublessees to Host bidding on this opportunity so that they can position themselves to compete with Host for the master lease for the domestic terminals. That comes up in seven or eight years.

Commissioner Quan asked if there is anything we can do about subcontracting?

Mr. Martin said that he will prepare a written report on staff's efforts at outreaching to more SBEs. We are also developing a proposal on limiting the amount of space or dollars an SBE can have at the Airport, and our continuing efforts at trying to change the FAA's definition of small businesses.

5. Approval of Ten-year, Six-month Lease at the North Field Cargo Facility to Nippon



### Cargo Airlines Company, Inc. for Air Cargo Operations

No. 98-0190

Resolution requesting approval of a ten-year, six month lease to Nippon Cargo Airlines Company, Inc. for space in the North Field Cargo Facility comprised of 55,000 sq. ft. of warehouse space, 17,160 sq. ft. of improved land (cargo by-pass area) and 6,250 sq. ft. of office space.

Mr. Rhoades explained that Nippon Cargo Airlines currently operates out of a cargo warehouse in So. San Francisco. Nippon will be offered approximately 55,000 sq. ft. of warehouse space and 1,650 sq. ft. of office space. They will share the building with Federal Express. There is 18,500 sq. ft. remaining to be addressed.

This will be a 10 year lease. Nippon Cargo Airlines is moving forward with Domestic Partners compliance.

### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 6 through 13 were adopted unanimously.

 Reimbursement to Northwest Airlines for Storm Drain Damage and Installation of a Security Gate for Airfield Ramp Access Due to the Construction of the New ART Guideway

No. 98-0191

Resolution authorizing reimbursement to Northwest Airlines in an amount not to exceed \$37,000 for storm drain damage and installation of a new security gate to the ramp area of its cargo warehouse office building due to the construction of the new ART Guideway.

7. Retirement Resolution: John Johnston

No. 98-0192

8. Award Contract 3789 - Underground Utility Repairs, 1998/99 - JMB Construction

No. 98-0193

Resolution awarding Contract 3789, Underground Utility Repairs - 1998/99 to JMB Construction, Inc. in the amount of \$374.800.

9. Award Contract 3552 - As-Needed Electrical Construction/Repairs, 1998/99 - Barri

Electric Company, Inc.



No. 98-0194

Resolution awarding Contract 3552, As-Needed Electrical Construction/Repairs, 1998/99, to the lowest responsive bidder, Barri Electric Company, Inc. in the amount of \$302,000

Inc. in the amount of \$393,900.

### Award North Terminal Apparel Boutique Lease and Approval of its Design - Calstar Retail, Inc.

No. 98-0195

Resolution awarding the North Terminal Apparel Boutique Lease to Calstar Retail, Inc. with a minimum annual guarantee of \$36,108 and approval of its design.

### 11. Amend U.S. Postal Service Lease for Airmail Facility Post Office at Plot 10B

No. 98-0196

Resolution approving an amendment to the U.S. Postal Service's lease (PUC Lease No. 24392) increasing the premises to 8.60 acres to allow for expansion of the Airmail Facility, and directs the Commission Secretary to submit the amendment to the Board of Supervisors for approval.

# 12. Reimburse Aeroground, Inc. by Direct Payment for Work Performed on Behalf of the Airport

No. 98-0197

Resolution authorizing a reimbursement by direct payment to Aeroground, Inc. in an amount not to exceed \$395,000 for the construction of utility and site work on Plot 41 on behalf of the Airport.

### 13. <u>Design Review - North Terminal Concession Opportunity Lease - Host International</u>, Inc.

No. 98-0198

Commissioner Quan noted that the resolution said that Host will be in conformance with the Tenant Improvement Guide, but no such statement is made in Item No. 12.

Mr. Martin said that the work in Item No. 12 has been designed by the Airport.

Commissioner Strunsky asked if this was an attempt to show what our standards will be?

Mr. Rhoades responded that this is the first lease that provides for a common store front or frame. We have a design for the new International Terminal that sets the standard for a common storefront. Four facilities will employ this design in the



North Terminal so we can judge how it will look.

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

J. CORRESPONDENCE:

There was no discussion by the Commission.

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The closed session was convened at 9:30 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 9:53 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:55 AM.

Jean Caramatti Commission Secretary



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President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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### Airport Commission Meeting Minutes August 18, 1998

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Henry E. Berman, President, President

Hon. Roland A. Quan, Vice President

Hon. Michael S. Strunsky Hon. Larry Mazzola Hon. Linda S. Crayton

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 4, 1998 were adopted unanimously.

No. 98-0199

D.

\* \* \*

### DIRECTOR'S REPORTS:

Item No. 1 was put over to the end of the meeting.

### Analysis of Ground Transportation at SFO - Final Report

The study, conducted by Pacific Transit Management Corporation, contains recommendations on ground transportation facility changes and curb space allocations as well as changes to taxi, limousine, door-to-door van, hotel/motel courtesy, and scheduled bus operations.

\* \* \*

### E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

### F. POLICY:



Item Nos. 2 and 3 were adopted unanimously.

### 2. Authority for Architectural Design Approval

No. 98-0200

Resolution delegating authority to the Design Review Committee and Airport Director for approval of aesthetics for tenant improvement work and Airport construction projects. Major Airport buildings costing over \$10-million and structures with significant visual impact to the public will require Commission concurrence. Construction projects will be submitted to the Art Commission as mandated by the City's Administrative Code subsequent to approval by the Airport's Design Review Committee.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that with the Master Plan construction at the half way mark we are looking at the scope of tenant improvement work. In a very short time we are going to experience a tremendous amount of design review activity. In order to avoid cluttering the Commission calendar with tenant design approvals, we recommend that our existing and well functioning Design Review Committee be empowered with the authority to approve aesthetic design submittals. Their authority would also cover the architectural approval of Airport projects below \$10 million in construction value.

The Committee is chaired by Michael Allen, a licensed architect and a 30-year employee of the Airport. Another Committee member is Amir Koleini, an architect who heads the architectural section of the Airport's FOM division. The third member is outside architect Robin Chiang of San Francisco.

The Commission will continue to have the opportunity to review any project the Commission desires.

Commissioner Strunsky assumed that they will be working from a set of standards aldready approved by the Commission. The Design Review Committee assures that those standards are adhered to.

Mr. Kardos added that it will also assure consistency.

Mr. Martin said that we are tightening up on those standards. The Commission will be asked to approve the updates.

### 3. Establishment of a Consolidated Equal Employment Opportunity Program

No. 98-0201

Resolution authorizing the consolidation of the Equal Employment Opportunity Program. This program proposes to consolidate the activities previously performed in this area by the Airport's Office of Human Resources. The program will establish a structure and framework for enhancing employment



diversity, maintaining a hostile-free work environment, and responding to discrimination complaints.

Ms. Theresa Lee, Deputy Director, Administration explained that the item before the Commission formalizes the Airport's commitment of a workplace free of harrassment, discrimination and retaliation by establishing a structure and framework for enhancing employment diversity and responding forcefully to discrimination complaints.

Over the next four years the Airport will increase its staff significantly. With this increase and our commitment to a diverse workforce we want to take a more proactive approach to ensure a productive and hostile free work environment.

The Airport has significantly increased its workforce diversity over the last three years. Minorities now represent 60% of the total workforce, compared to 54% three years ago. Women now represent nearly 40% of the total workforce, compared to 30% three years ago.

The proposal focuses on aggressive equal employment opportunity/recruitment for filling vacancies, assertive enforcement of laws and policies, and immediate response to complaints.

The highlights of the program include prevention and education through comprehensive training tailored to the special needs of our employees, establishment of a support program for women in non-traditional work such as the trades, and, a mediation program so that issues can be resolved early and at the lowest level before it becomes too serious.

The EEO activities are currently handled by the Airport's Human Resources Office. This proposal will consolidate those responsibilities into this new unit, reporting directly to the Airport Director.

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 4 and 5 were adopted unanimously.

4. Modification No. 4 to Contract 5500B - International Terminal Foundations - Gonsalves & Santucci, Inc. dba CONCO Cement Co/Kulchin-Condon & Associates \$2,051,231

No. 98-0202

Resolution approving Modification No. 4, the final modification to close out Contract 5500B, International Terminal Foundations with Gonsalves & Santucci, Inc. dba CONCO Cement Co/Kulchin-Condon & Assoc., in the amount of \$2,051,231, for work related to pile revisions, unanticipated conditions, acceleration, hazardous materials cleanup, site drainage, utility tunnel and east underpass transferred scope, and settlement of extended overhead and inefficiency



#### claims by subcontractors.

Mr. Kardos explained that this item seeks approval for the final modification to close out Contract No. 5500B, International Terminal Foundations, with Gonsalves & Santucci, Inc., dba CONCO Cement Co./Kulchin Condon & Associates.

The final modification covers the negotiated cost associated with hazardous material cleanup, unanticipated site conditions, pilecap revisions, site drainage, acceleration, extended overhead and inefficiency claims. The aggregate amount of the modification is \$2,051,231, bringing the total contract amount to \$34,561,715. This is \$37,840 over the approved budget. It will be covered by a transfer from Management Reserve and has been included in our forecasts presented to the Commission in previous reports.

Commissioner Strunsky noted that one tenth of one percent is not bad. He told Mr. Kardos to keep up the good work.

Modification No. 4 to Contract 5520E - Boarding Area G General Building Construction

 Tutor-Saliba Corp/Perini Corp/Buckley and Company, Inc. \$1,450,529

No. 98-0203

Resolution approving Modification No. 4 to Contract 5520E, Boarding Area G General Building Construction in the amount of \$1,450,529 for accepted additive bid alternates, design changes to facilitate construction, and unanticipated conditions. Funds for this modification will come from project construction budget and construction contingency.

Mr. Kardos explained that this modification to the general building contract of Boarding Area G covers accepted bid alternates, design changes to facilitate construction and costs associated with unforeseen site conditions.

From the list of additive bid alternates we accepted five. One covered some structural modifications accommodating tug travel under the building. The other four provided architectural finishes at escalators installed in four gaterooms to improve pre-cleared arrival traffic between levels two and three.

The two design changes addressed some constructibility issues related to the curtain wall and added gas phase filters to the air handling units.

The Boarding Area G apron design lagged behind the building contract award. Raising of the apron elevation triggered some changes in the building construction covered by this modification

The MBE/WBE participation of 18.3% / 0.9% respectively remains the same as in the original contract.

Commissioner Strunsky, referring to Item No. 3, Unanticipated Conditions, noted that some value engineering changes were made by raising the apron. Cost savings must



have been encountered in the apron contract, yet we're being hit with \$700,000 worth of additional costs in the terminal contract. He assumed that the net savings must be significant.

Mr. Kardos noted that the savings is \$5-million plus.

Commissioner Quan asked where we are in the completion of Boarding Area G. He also asked if the contingency budget has been spoken for.

Mr. Kardos responded that the contingency has not been committed. Boarding Area G is about 70% complete. The contingency to which Commissioner Quan is referring is associated with the completion of the building. We do not want to transfer any contingency back to Management Reserve before the completion of a building.

Commissioner Strunsky noted that the numbers to which Commissioner Quan referred are numbers that were included in several of our last quarterly forecasts, so there is no surprise. This does not change the bottom line of the Master Plan forecast. It has been anticipated for some time that these monies would be needed, and that has been reflected in the last two or three quarterly reports.

Mr. Kardos said that he did not want to convey a message that the remaining money would be transferred to the Management Reserve. There is some contract growth that we expected, and this covers that growth.

Commissioner Quan did not want to send a message to the contractor that there is still \$5-million left to ask for change orders.

Mr. Kardos responded that we are not.

ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 7 was put over. Item Nos. 8 and 9 were adopted unanimously.

REMOVED FROM CALENDAR

H.

 Authorization to Issue a Request for Proposals to Staff and Manage the Airport's Curbside Management Program

Resolution authorizing staff to issue a Request for Proposals for a qualified firm to staff and manage the Airport's Curbside Management program for an annual budget not-to-exceed \$4,000,000.

Commissioner Mazzola said that he received a letter from the Teamsters asking that Item No. 1 and item No. 7 be put over until they have had a chance to meet, provide input, and read the proposal.



Mr. Martin said that it would not be a problem to put this over. Item No. 1 is simply a Director's Report and will not require action. He will meet with the Teamsters and bring the package back to the Commission at a later date.

Mr. Martin believed that the issue relates to the taxicab starters who are Teamsters. He admitted that he had not thought about this issue, but agreed that it needs another look.

8. <u>Authorization to Conduct Pre-Qualifications/Proposals Conference and Bid for the Museum Store Lease and Aviation Store Lease for the New International Terminal Conference and Aviation Store Lease for the New International Terminal Conference and Edition Store Lease for the New International Terminal Conference and Edition Store Lease for the New International Terminal Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Lease for the New International Conference and Edition Store Conference and Edition St</u>

No. 98-0204 No. 98-0205

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that at a previous meeting the Commission authorized staff to hold pre-bid conferences for six specialty store leases for the new International Terminal. After further research, staff determined that two of these concepts, because of their uniqueness and our desire to insure that we have focused operators, we are asking that you separate these two items and hold a separate pre-qualification/proposal/bid process for them. The other four concepts will still be done under the traditional pre-bid/bid.

The first item is a Museum Store. We are looking for an operator who maintains a facility in the City and County of San Francisco associated with a museum. The operator will be a non-profit entity.

The second is an aviation store. We have had a fair amount of success with the aviation concept in the North Terminal. We now wish to offer a proposal for a facility that will compliment the Aviation Archive and Museum in the new International Terminal.

9. Authorization to Receive Bids - Boarding Areas B and C Bookstore Lease

No. 98-0206

Resolution authorizing staff to lower the mimimum acceptable bid and bid bond amounts and to extend the bid package deadline for the Boarding Areas B and C Bookstores Lease.

Mr. Rhoades said that at the June 23 meeting the Commission authorized staff to accept bids for the Bookstore lease at the entrance to Boarding Areas B and C. The bids were due on August 5. No bids were received.

There were no comments at the pre-bid regarding the Minimum Annual Guaratee (MAG) or the specifications for the lease, however, two days before the opening we received at least two calls from prospective bidders indicating that the MAG was too high. It was too late for us to do anything about it at that time.

Staff proposes to lower the MAG \$200,000 from the \$450,000 that was originally



proposed. We had originally intended to have this opportunity only for focused bookstore operators ... those who specialize in the sale of books.

We now believe that because the field is somewhat limited we want to open it up to other retail entities who also operate bookstores.

Commissioner Crayton assumed that the new MAG is based on some data.

Mr. Rhoades responded that typically a bookstore has very low margins ... anywhere from 8% to 15%, if you're large enough to buy directly from a book publisher. Most book operators, especially mid-size to smaller ones, buy from distributors and their margins are even smaller.

The \$450,000 was based on what we felt the gross sales would be, however, we did not take into consideration the fact that the margins are so small. Further, the target audience was smaller companies that may not have the investment capabilities to make the improvements.

This change will allow companies like W.H. Smith and Host to submit a bid.

Commissioner Crayton was concerned that we would be moving away from the bookstore theme.

Mr. Martin explained that even though a potential lessee would not have to be purely a bookstore operator, the concept remains a bookstore.

The existing lease expires in January 1999. We want to insure that we don't have vacant facilities when the lease expires.

Mr. Rhoades said that we have contacted virtually every independent bookstore operator in the Bay Area.

CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 21 were adopted unanimously.

 Modification No. 3 to Contract 5900D - Elevated and Surface Circulation Roadways -Myers/Kulchin-Condon, a Joint Venture - \$523,325.62

No. 98-0207

1.

Resolution approving Modification No. 3 to Contract 5900D, Elevated and Surface Circulation Roadways, with Myers/Kulchin-Condon, a Joint Venture. The modification includes work transferred from Contract 5601H, Utilities Relocation, in the total amount of \$523,325.62. The transferred work and budget are included in the approved Near-Term Master Plan Program baseline scope and budget. This modification represents no change to the Baseline Budget.



Commissioner Crayton asked if we normally place contract modifications under the Consent Calendar.

Mr. Martin responded that we often do that in lieu of the volume of contract modifications relating to the Master Plan.

# 11. Modification No. 8 to Legal Services Agreement with Wulfsberg, Reese, Ferris, Sykes -\$300,000

No. 98-0208

Resolution approving Modification No. 8 to Legal Services Agreement with Wulfsberg, Reese, Ferris, Sykes (formerly known as Lempres & Wulfsberg) to increase compensation in the amount of \$300,000.

# 12. Terminate Legal Services Agreement with Arnelle, Hastie, McGee, Willis & Greene

No. 98-0209

# 13. Award of Compressed Natural Gas Fueling Station Lease - Trillium USA

No. 98-0210

Resolution awarding Compressed Natural Gas Fueling Station Lease to Trillium USA to construct and operate the facility at no cost to the Airport for a ten-vear term on a commercial rent basis.

# 14. Award Professional Services Contract for Regional Airport System Analysis - P&D Aviation

No. 98-0211

Resolution approving staff's recommendation of P&D Aviation to prepare a Regional Airport System Analysis in conjunction with the Runway Reconfiguration Study and authorize staff to negotiate a scope of work and contract with P&D Aviation to perform the study.

Commissioner Quan asked if we have a ceiling or an anticipated fee. He asked for a firmer M/WBE commitment.

Mr. John Costas, Deputy Director, Planning and Environmental Affairs explained that we have an estimated budget of between \$300,000 to \$500,000 for this work. We will negotiate a scope of work with the consultant within that range.

There is a limited pool of consultants who do this work. We will now enforce a stronger commitment in the negotiations.



Commissioner Strunsky asked what was meant by a "Regional Airport System?"

Mr. Costas responded that the Metropolitan Transportation Commission has authority for a Regional Airport System Plan. One of the purposes of this plan is for other agencies, such as the Bay Conservation Development Commission (BCDC), to use it as a policy guide for regulatory agencies. The BCDC looks at the Regional Airport System for recommendations on any proposed fill of the Bay.

Prior to receiving regulatory agency approval of a runway system in the Bay, BCDC, for example, would go to the Airport Regional Plan and look for that policy guidance.

We are going ahead and doing a focused Regional Airport Plan that will precede MTC's plan. This will set the tone and the framework for a Regional plan and will help MTC accelerate their work.

# 15. Modification No. 1 to Legal Services Agreement with O'Melveny & Myers - \$50,000

No. 98-0212

Resolution approving Modification No. 1 to Legal Services Agreement with O'Melveny & Myers to increase scope of services and compensation by \$50,000.

# 16. Renew Contract to Operate Airport Information Booth Program - Polaris Research and Development - Not-to-Exceed \$1.4 million

No. 98-0213

Resolution renewing Airport Information Booth Contract with Polaris Research and Development for an additional year, effective October 15, 1998 thru October 14, 1999. This is the third of four renewal options, with an annual budget not-to-exceed \$1.4 million.

# 17. Renew Caltrain-SFO Shuttle Contract with SFO Airporter - Not-to-Exceed \$290,000

No. 98-0214

Resolution renewing the Caltrain-SFO Shuttle Contract with SFO Airporter for a limited period of six months commencing October 1, 1998 at a budget not-to-exceed \$290,000

# 18. Rent Credit to San Francisco Foreign Flag Carriers Corp. - Not-to-Exceed - \$20,000

No. 98-0215

Resolution approving a rental credit to the San Francisco Foreign Flag Carriers Corporation in an amount of \$650 per month, not-to-exceed a total credit of \$20,000, for the routine, non-technical maintenance of the flight information display system

# Host International Inc.'s Selection of Disadvantaged Business Enterprise Sublessees for the North Terminal Concession Opportunity Lease

No. 98-0216

Resolution approving Host International's selection of CalStar Retail, Inc. and Sun Shade Holding Corp. as Disadvantaged Business Enterprise sublessees for the North Terminal Concession Opportunity Lease.

#### 20. Authorization to Receive Bids - Shoeshine Concession Lease

No. 98-0217

#### 21. Changes to the Airport's Conflict of Interest Code

No. 98-0218

Resolution amending the Airport's Conflict of Interest Code identifying designated positions that are required to submit disclosure forms.

\* \* \*

#### J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

Commissioner Quan announced that this is his last meeting. He is grateful for having the privilege of serving the people of the City and County of San Francisco. It was an honor to work with the past and current Commissioners.

He thanked the Airpot Director, the Commission Secretary, the senior staff and all of the employees at the Airport that do the day-to-day work. Keep up the good work and continue to make the tough decisions.

Commissioner Berman commended Commissioner Quan for his work on the Commission and his ability to ascertain through a vision that only an accountant can do. His intelligence, his reliability will be missed.

Mr. Martin thanked Commissioner Quan on behalf of the staff for his dedicated service.

Commissioner Crayton said that when she joined the Commission, Commissioner Quan welcomed her with open arms, shared his information with her and became her friend. She



thanked Commissioner Quan for making it an easier transition for her and being her friend.

#### K. CORRESPONDENCE:

There was no discussion by the Commission.

#### D. DIRECTOR'S REPORTS:

#### 1. Analysis of Ground Transportation at SFO - Final Report

The study, conducted by Pacific Transit Management Corp., contains recommendations on ground transportation facility changes and curb space allocations as well as changes to taxi, limousine, door-to-door van, hotel/motel courtesy, and scheduled bus operations.

Mr. Martin presented the final report prepared by Mr. Tony Bruzzone of Pacific Transportation Management. He said that based upon this report staff will return to the Commission with an implementation plan.

This study was undertaken as an update from a study undertaken by Greg Harvey ten years ago. In preparing this study, Mr. Bruzzone had extensive meetings with Airport staff and with the various groups of groud transportation operators at the Airport.

The goals of the study were to implement the Commission's earlier adopted Transit First Policy, insure a first class ground transportation operation, insure a reasonable rate of return on Airport investment on ground transportation facilities, use the facilities to our optimum capacity, promote competition between the various modes, and provide the greatest support for the highest occupancy types of vehicles.

Among the more interesting findings of Mr. Bruzzone's study was the fact that the market for the door-to-door vans has grown significantly over the last ten years while scheduled bus service usage has fallen. There has been a particular drop in scheduled bus service passengers to downtown San Francisco.

The number of vans serving San Francisco has risen from 125 to 175.

Mr. Harvey's recommedations are for a Ground Transportation Center. Such a facility is included in the Master Plan. The Ground Transportation Center that we are currently evaluating would be on the fifth level of the Airport parking garage and would serve departing taxicabs, limousines and door-to-door vans.

Mr. Bruzzone is also recommending, with respect to the allocation of curb space, that the highest priority be given to transit vehicles so that the inner curb, closest to the terminal building be reserved for transit vehicles and the center island be reserved for private vehicles. The general public would be less conveniently served in having to



walk across several lanes of traffic. There are operational and safety concerns that we need to continue to look at. He is concerned about buses parked in front of cross walks and passengers walking out in front of traffic.

Mr. Bruzzone also has made some recommendations for specific modes of transportation, particularly with improving the standards for taxicab operations by improving the appearance, cleanliness, courtesy and reliability of taxicabs, as well as age standards.

With respect to limousines, he is recommending that we have two types of systems ... one for pre-arranged limousines and one for walk-up passengers. This relates to Item No. 7, which was removed from the calendar, which provided for a dispatching service for limousines. It would give us greater control over bandit limousine operations.

With respect to hotel/motel vans, he is recommending that the Airport require neighboring hotels to consolidate their busing operations. This would significantly reduce the number of vehicle trips on the roadway. There appears to be some initial support from the hotel/motel industry for the shared van operations, especially if it is mandated and provides a level playing field for everyone.

He recommends strengthening the market for bus operators by having one carrier for each specific market. He recommends that the Airport take a more active role to insure that there is only one scheduled bus operator in each market, thereby improving the viability of the bus operations.

With respect to the Airport management structure, Mr. Bruzzone recommends that we form a more active committee communication for the various City departments, Airport staff handling ground transportation issues at the Airport, and he particularly wants to see an improvement in communication between the San Francisco Police Department and the various groups at the Airport. A more structured committee is in the works.

Finally, he has made a recommendation that the four major ground transportation modes form councils in order to provide input to Airport staff on an on-going basis and in order to promote and test ideas from those councils with Airport staff.

We will further consider these recommendations and present an implementation plan for the Commission on the various items recommended by Mr. Bruzzone. He anticipates further Commission discussion and public comment on these proposals as we move forward.

Commissioner Strunsky asked for further individual briefings. He wanted more information on placing private vehicles in the outside lane and the large buses in the inside lanes. He assumed that there was something about the rental car buses and would like information on where they go in the interim between the opening of the Rental Car Facility and completion of the ART system.

Mr. Martin said that Mr. Bruzzone was recommending that those buses drop off at a specific zone at each terminal. Then they would role forward and pick up so that the passengers getting on and off the bus do not mix at the curb. He also recommends extending the overhang of the bus shelters and adding courtesy phones at the curb for



the rental car busing operations.

Commissioner Quan said that the study also mentioned that a bus terminal with a 600 car garage might improve useage of scheduled buses.

Mr. Martin said that it is a consideration and requires additional study.

Commissioner Crayton asked Mr. Martin if he was going to revisit the issue of having passengers pre-schedule for limousine service.

Mr. Martin said that he is proposing that the counters in each terminal be eliminated in November. Pre-arranged customers or walk-up customers will go to a booth where either the pre-arranged driver is called or the walk-up limousine line is called. The customers will wait in a seating area inside the terminal. A curbside attendant will call the passenger when the limousine arrives. This will be a positive match of passenger to limousine, making a bandit limousine operation ineffective.

We are looking at doing the same thing with scheduled buses.

Commissioner Strunsky asked how the Ground Transportation Center on the fifth level of the garage would get accessed by the new International Terminal.

Mr. Martin responded that the Ground Transportation Center will be accessed from the tunnels of the domestic terminals and the bridges. The bridges that connect to the Light Rail will also provide access.

Commissioner Strunsky assumed that there would be no access from the new International Terminal.

Mr. Martin responded that passengers coming from the baggage claim would be at the same level as the North Terminal lobby level. They can go down to the new G tunnel that is being constructed. The walk is not much longer than a passenger has arriving on a United flight from Boarding Area F.

Mr. Bob Planthold was concerned about accessibility to ground transportation. During his travels through SFO he does not notice that any of the transportation operators from other counties for the door-to-door vans have vehicles that are clearly accessible.

When tour groups make travel arrangements by charter, seniors using a scooter or requiring special accommodations often feel deterred from going with their group because they can't get on the bus. Transportation operators don't make alternative provisions. He asked if it is possible in any of the current contracts, when they are revised or modified, to ask the operators what accessibility provisions or vehicles they have, what have they done for alternative arrangements, what arrangements do they have with paratransit in their respective areas?

He is not asking that all vehicles be accessible. That might not necessarily serve the public's best interest. But the operators need to be directly responsible for access instead of subordinating that responsibility to some unknown entity or leaving it up to the consumer. He asked that accessibility alternative requirements be added to RFPs.



Mr. Martin said that is an important element and he will make sure that a disability access element is included in the implementation plan. Taking more control of the dispatching will provide a real opportunity to insure that a higher level of service is provided for disability access.

\* \* \*

#### L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The meeting recessed at 9:40 AM to to into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The public meeting was reconvened at 9:56 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9.58 AM

Jean Caramatti Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION





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WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President
MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



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# Airport Commission Meeting Minutes September 15, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Michael S. Strunsky Hon. Larry Mazzola Hon. Linda S. Crayton

Hon. Caryl Ito

. . .

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 18, 1998 were adopted unanimously.

No. 98-0219

\* \* \*

D. SPECIAL ITEMS:

Item Nos. 1 and 2 were adopted unanimously.

1. Commendation for Former Commissioner Roland A. Quan

No. 98-0220

Mr. John Martin, Airport Director, said that this resolution commends former Commissioner Roland Quan for his four years of dedicated service. A framed copy of this resolution will be presented to him.

Commissioner Strunsky noted how helpful Commissioner Quan has been over the past four years on the Master Plan accounting issues. We owe him a debt.

Commissioner Berman welcomed Commissioner Ito to the Commission.

2. Commendation to Roseline Phillip, FAA 1997 National Screener of the Year

No. 98-0221



Mr. Martin asked Ms. Rose Phillip and her supervisor, Barry Bignell to step forward. He said that he was proud that Ms. Phillip was named FAA security screener of the year for 1997. This is the fourth year the award has been presented by the FAA. We are very proud that the recipient is from SFO.

Commissioner Berman commended and thanked both Ms. Phillip and her supervisor on the service provided to the public and to SFO.

#### E. DIRECTOR'S REPORT:

# 3. Ethnic and Gender Diversity in Airport Employment and Contracting

Mr. Martin said that this is the annual report on diversity in Airport and construction hiring and contracting.

Chart I represents San Francisco labor market figures and a breakdown by ethnicity and provides a comparison of Airport Commission staff to the available market.

For African Americans the San Francisco labor market is 8%, the Airport Commission currently stands at 11%.

For Hispanics, the labor market is 13% and the Airport Commission stands at 11%.

We acknowledge that we need to improve the diversity of Airport staff.

Asian Americans, which include Filipinos, constitutes 26%. The Airport Commission further breaks it down to Asians at 27% and 11% Filipino.

There is a further breakdown into specific job classification/occupation. We recognize that there are areas within the Airport staff where we need to improve diversity. We are targeting those areas through a diversity program where we attempt to further diversify the Airport workforce. We have also utilized apprenticeship and internship programs to work toward achieving a more diverse workforce. In the last year we had 169 apprentices or interns working at the Airport, 82% of whom were minority and about 55% were women.

The next chart addresses construction workforce. This is tracked through our Permit Office. Every construction employee at the Airport must be badged. We work off this data to get a breakdown of the construction workforce by ethnicity. Approximately 5,700 employees have been badged for construction work. Chart III shows the actual numbers.

Forty-seven percent of those employees are caucasian, compared to the San Francisco labor market which is 52%. African-Americans comprise 9%, compared to 8% of the labor market. Asian-American workforce is 6%, compared to the labor market of 26%. Hispanics comprise 19%, compared to the labor availability of 13%. Only 5% of the construction workforce is women.



Thirty-eight percent of the Airport Commission staff are women, representing a significant increase of over three years ago of 30%. We have also seen an improvement in the diversity over all levels of minority employment at the Airport Commission level, from 54% to 60% over the last three years.

Chart IV provides a breakdown of contracting by ethnicity. The Commission awarded \$506 million in Master Plan construction contracts. Of that amount, \$10.7 million went to African Americans at the prime level, none of those construction dollars went to Asian Americans, \$2.1 million went to Hispanics, and \$3.1 million went to women. Overall, only 3.3% of the prime dollars went to minority or women firms.

The performance was much better at the subcontracting level, with 23% overall minority/women participation. Of that amount, \$50.4 million went to African American firms, \$7.4 million to Asian Americans, \$46.4 million to Hispanics, and \$15.6 million to women.

Our performance was much better at the prime level for Master Plan Professional Services Contracts. Overall, 46% of the contracts went to minority or women owned firms, \$11.2 million to African American firms, \$14.6 to Asian Americans, \$371,000 to Hispanic firms, and \$516,000 to women.

On the subcontracting level for Professional Services, 17% went to minority or women firms.

We achieved a much higher level of minority and women participation in non-Master Plan construction contracts at the prime level. Of the \$33.3 million in prime non-Master Plan contracts, \$19.6 million or almost 59% went to minority and women businesses. At the subcontracting level, approximately 25% went to minority and women businesses.

For non-Master Plan Professional Services, we awarded \$32.3 million in contracts. Approximately 10% went to minority and women businesses at the prime level and only about 1% went to minority and women businesses at the subcontractor level.

We have done particularly well at the Architectural/Engineering level for Professional Services. Construction contracting needs continued focus. Our Surety Bond and Ioan program have assisted in increasing participation, but there is still a disparity in certain areas of Airport contracting.

In addition to the Surety Bonding Program and the loan program, the Commission has also adopted the San Francisco Truckers First Policy earlier this year, which is also being incorporated into the City's new M/WBE ordinance.

The Commission will soon receive a new policy on local business preferences on retail leases. We recently obtained FAA confirmation that we can proceed with a preference policy.

We have also established an Employment Development Office. For the first time, all Airport tenants are able to list available jobs. This is a one-point contact for people seeking jobs at the Airport with any employer.



This office has held several job fairs, with the most recent one held at Bayview Hunter's Point. The next job fair is scheduled for the Mission District.

Commissioner Berman said that the staff is to be commended for the outstanding job they've done in this area.

Commissioner Ito said that in her previous work with the Commission on the Status of Women there was interest in diversity figures on women-business participation. She also asked for information on meeting goals for semi-skilled, entry level, management and administrative and supervisory levels with respect to women and minorities.

Mr. Martin said that a follow up report will be provided to the Commission on the breakdown on women business participation by ethnicity. We have detailed reports for specific Airport occupations, including management and senior management.

Commissioner Crayton thanked the Director for providing this information. She asked if any of this information has been supplied to the Human Rights Commission, the NAACP, or any other agency providing information about our contracting?

Mr. Martin responded that information is bring provided to those other agencies. He is asking the Director of the Human Rights Commission if he can present this same report to the Human Rights Commission at one of its meetings. He has also asked the Controller to audit this information for accuracy. His office will be doing that in the next month. He would like to make this presentation to other agencies as well.

Commissioner Crayton said that the percentages speak for themselves in terms of ethnic participation, and it is very low. She asked if we had any information on other airports and their ability to attract minorities and women in construction.

Mr. Martin responded that he was not aware of any information, but he would be happy to look into it.

Commissioner Crayton said that the Commission and the Airport have taken good faith efforts in this area and we need to publicize our plans for making changes. The various agencies need to help us achieve our goals. She is aware that the Airport has met with the NAACP in the past and various other agencies to try to attract people coming off welfare and people coming out of training programs. We may need to go further.

Mr. Martin said that we do need the assistance of other agencies and City offices to improve our numbers, especially when we add 700 new positions in the next several years. He is meeting with a member of the Mayor's staff to ask her assistance in helping to make sure that we are working with other City agencies to make this happen.

The unions, under the Project Stabilization Agreement, have been very cooperative in bringing people on referred by community based organizations. Chinese for Affirmative Action has been particularly effective in making referrals of all ethnicities into the union apprenticeship programs.



#### F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton said that she would like for the Commission to respond to some of the negative publicity that has appeared in the newspapers regarding the incident of the noose at the Airport.

Mr. Martin said that he has sent a letter to the Director of the Human Rights Commission, who is charged with investigating these types of incidents, and expressed his serious concerns about the charges. He asked for a quick investigation. He indicated that he will follow through on any recommendations made by the Human Rights Commission.

Commissioner Ito asked Mr. Martin if the Airport had in place a procedure to monitor subcontractors.

Mr. Martin responded that at times contractors have tried to remove listed subcontractors and make substitutions. This is not allowed without the approval of the Airport and the Human Rights Commission.

Mr. Tom Kardos, Deputy Director, Bureau of Building and Construction responded that a series of measures have been introduced that monitor all minority and women owned business participation in contracts. The reporting controls have been tied to payments.

Commissioner Ito asked if that tracking is simultaneous to the timelines.

Mr. Kardos responded that it is on a monthly basis.

Commissioner Ito said that when she was with the Commission on the Status of Women she worked on trying to close the gap on our local ordinance in terms of having some control over subcontractors. We had received a complaint about a subcontractor providing a hostile work eivnronment. The City had no recourse because there wasn't anything in the ordinance providing authority over the subcontractor.

Ms. Mara Rosales, Airport General Counsel said that she would need more information to recognize the case. She was not sure about the reference to a loop hole.

Commissioner Ito responded that it was with regard to a remedy to a subcontractors good faith effort and providing a healthy work environment.

Ms. Rosales explained that the City does not have a direct contract with the subcontractor.

### G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 4 was adopted unanimously.

4. <u>Authorization for Sale of Airport Revenue Bonds, Issue 20, and Airport Revenue Refunding Bonds, Issue 21 and Delegation of Authority to the Airport Director within</u>



### Certain Parameters Established by the Commission

No. 98-0222 No. 98-0223

Mr. Bob Rhoades, Deputy Director of Business and Finance explained that this item authorizes the Director, under certain parameters, to undertake the sale of refunding bonds on Issue 20 and Airport Revenue Bonds under Issue 21.

To date, the Commission has issued \$2.9 billion in bonds at an average true interest cost of 5.82%. In calendar year 1998, the Commission issued \$1 billion in bonds with a true interest cost of 5.1%. Most recently, Issues 18 and 19, which were sold in July came in with a true interest rate of 5.175%.

This item authorizes the sale of refunding bonds up to a maximum amount of \$300 million. At this point, staff believes that the sale will be \$225 million, and at todays market we anticipate that the debt service savings will be \$12 million.

We will continue to watch the market.

Issue 21 is for \$150 million in revenue bonds for Master Plan purposes.

Commissioner Strunsky noted that to date the Airport has issued \$2.97 billion in bonds for its Near Term Master Plan and infrastructure. We have a Near Term Master Plan that is something less than \$2.9 billion. This number does not reflect an increase in the Master Plan budget. He asked Mr. Rhoades to explain the difference in what we have actually issued for the Master Plan and how the Master Plan works.

Mr. Rhoades explained that this is a combination of all the bonds that have been sold. Master Plan bonds sold to date is \$2 billion, and the remaining is infrastructure bonds.

### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 through 10 were adopted unanimously. Item No. 11 was adopted by a 4 to 1 vote with Commissioner Crayton casting the dissenting vote.

### 5. Award Contract 3444 - Taxiway R Realignment - Pavex Construction - \$7,767,665

No. 98-0224

Resolution awarding Contract 3444, Taxiway R Realignment, to the lowest responsive, responsible bidder, Pavex Construction, a Division of Granite Rock Company, in the amount of \$7,767,665.

Mr. Ernie Eavis, Acting Deputy Director for Facilites Operations and Maintenance exlained that this resolution awards Contract No. 3444 to Pavex Construction to realign Taxiway R, the West Field area at the end of Runway 1-R. It will provide access to the DHL and Delta hangar areas in the West Field. Large aircraft have a hard time moving into that area because of the tight turns.



This contract also provides foundation work for the new West Field Cargo Facility, which is a replacement of the old Airborne Cargo building.

The runway portion of the award is FAA funded, so 75% of the cost of the project will be refunded by the FAA. It lets us commit to provide 36% to DBE subcontracting.

Commissioner Strunsky asked if this taxiway realignment meet the new Airbus standards for their proposed ultra large aircraft.

Mr. Eavis responded that it will.

# 6. Approval of Type II Modification for Contract No. 5903B - McDonnell Road & Road 21 Widening & Realignment - \$600,000

No. 98-0225

Resolution approving a Type II Modification for Contract No. 5903B, McDonnell Road & Road 21 Widening & Realignment, in the amount of \$600,000.

Mr. Eavis said that this contract was awarded in December 1997. The contract provided for the addition of the Long Term Parking Toll Plaza, the widening of McDonnel Road, installation of traffic signals, and widening and realignment of R-21.

Due to the effects of El Nino, a number of projects that preceded the work in this area were delayed, particularly the Rental Car Facility (RAC) and the Art Guideway System. Therefore, the contractor for 5903B could not access certain areas to complete the work. This request is allowance so we can accelerate the contract. The acceleration will allow for the RAC to open on time, to perform some out of sequence work, and to try to let the contractor get into specific areas of construction as quickly as possible. This is not a negotiated price and there are no firm figures yet. This is an allowance in order to begin the acceleration as soon as possible.

Mr. Eavis provided a revised resolution which eliminates the use of Management Reserve funds.

### Award Financial Advisory Services Contract - Siebert Brandford Shank & Co., LLC -\$1,595,000

No. 98-0226

Resolution awarding Financial Advisory Services Contract to Siebert Brandford Shank & Co., LLC to provide financial advisory services regarding hotel financing, bond refundings, and other potential financings. \$1,595,000.

Mr. Rhoades explained that this item awards a Financial Advisory Services contract to Siebert Brandford Shank & Co., LLC in the amount of \$1,595,000. This contract covers hotel financing, bond refundings and other potential financings.

Resolution No. 97-0051 awarded a contract to co-Financial Advisors Lazard Freres



and Siebert Brandford with a scope which primarily included bond sales regarding Near Term Master Plan Projects, infrastructure projects, the commercial paper program, and the fuel system. However, the financing under that contract did not contemplate an on-Airport hotel, general Airport Revenue Refunding Bonds and financing for various on-Airport facilities such as cargo facilities.

This contract will afford continuity with our financial services. This is very important in the marketplace in order to retain a strong bond rating.

Siebert Brandford will undertake the necessary work to move forward with the hotel financing. We are already refunding the bonds.

Commissioner Crayton noted that the original contract authorized Siebert Brandford and Lazard to do the same work.

Mr. Rhoades responded that Siebert and Lazard were a joint venture. Under this contract, Lazard will be a subcontractor.

Commissioner Crayton asked if they could have done this same work under the original contract.

Mr. Rhoades responded that they would have been able to do the same work if contemplated at that time. The fee structure that was established ... \$2.1 million in fees and up to \$1.5 million in expenses was focused on Near Term Master Plan bonds, the commercial paper program, and the fuel system. At that point we had not determined what we were going to do with hotel financing. We had not yet hit a market where refunding was going to be very lucrative for us. We were also at the very preliminary stages in the development of on-Airport cargo and ground transportation equipment repair stations. There was no way of developing a scope under that contract.

## 8. Award of Contract - Regional Airport System Analysis - P & D Aviation - \$500,000

No. 98-0227

Resolution approving Professional Service Agreement with P & D Aviation for preparation of a Regional Airport System Analysis. Not to exceed \$500,000.

Ms. Wanda Williams, Deputy Director, Planning and Environmental Affairs explained that this item pertains to a request for completion of a regional airport system analysis on or before December 5, 1998 by P&D Aviation.

The primary consultant, P&D Aviation, has been joined in this effort by two Human Rights Commission certified firms. They will complete 18% of the scope of work.

This regional airport system analysis is being undertaken in conjunction with the runway study. This particular study is significant in terms of addressing regional airport system concerns expressed by the Metropolitan Transportation Commission and other regional planning agencies.



Commissioner Crayton said that she was happy to see that even though there were no stated M/WBE goals in this agreement, they did achieve participation.

 Award Boarding Areas B and C Principal Concession Retail Lease - Pacific Gateway Concessions, LLC

No. 98-0228

Mr. Rhoades said that these leases comprise approximately 6,180 sq. ft. of space. The minimum bid was \$1.2 million for a term of five years.

Three bids were received on August 5, 1998, with the successful bid submitted by Pacific Gateway Concessions, LLC in the amount of \$2,170,000.99. Pacific Gateway is a new company formed by two disadvantaged enterprise companies, DeLaVe, Inc., which currently operates retail facilities on Boarding Area A, and, Soto and Sanchez Investments which currently operates retail facilities in Los Angeles. Soto and Sanchez is new to the Airport.

The Human Rights Commission has approved the affirmative action program. Each company is in compliance with the Equal Benefits Ordinance, however, the final paperwork is still being undertaken by the new company.

Commissioner Crayton asked about the make-up of the company.

Mr. Rhoades responded that they are both MBEs.

Mr. Rhoades said that with the award of this contract the overall level of M/WBE participation in retail will increase to over 50%.

Commissioner Ito asked what the significant differences were in the bid amounts.

Mr. Rhoades responded that a bidder looks at the historic performance of concessions and they determine the cost to set up the infrastructure. Staff will sometimes see aggressive bids submitted by companies who want to enter into the marketplace. Aggressive bids are sometimes submitted reflecting a desire to be positioned for future opportunities.

Commissioner Crayton said that she is sensitive to the fact that some of the major players sometimes come together to keep smaller players out of the bidding opportunities.

Mr. Martin said that DeLaVe has only been at the Airport for two or three years. Soto and Sanchez is new to SFO.

10. Request for Qualification for a Professional Firm to Provide Services for the Food and Beverage Program in the New International Terminal

No. 98-0229



Mr. Rhoades said that pursuant to Resolution Nos. 98-0050, 98-0188 and 98-0189, the Commission authorized staff to conduct informational meetings for the Food and Beverage Lease for the New International Terminal, the main restaurant and the small business enterprise set aside lease, respectively. These facilities comprise approximately 44,000 sq. ft. and make up the food and beverage program for the new International Terminal.

There were over 150 attendees at the conference which was held on April 15, 1998. We are currently receiving approximately 30-40 inquiries a week from firms all over the country.

Under the initial approach, we believed that a master lessee would be the most appropriate way to address all of the interest in the marketplace.

Since that time, we have had conversations with other airports that tried a different approach. We determined that a change should be made to go through a leasing agent.

There are a number of companies in California that generally specialize in retail malls, however, there are others that deal with airports. They utilize a competitive process and select tenants for a particular client. We believe that this is an appropriate approach to better reach the broad-based interest in the marketplace.

Typically, under a prime contract, subleasing requirements are achieved through franchising. Generally, they have already lined up other contracts or certain businesses that they will do business with. It doesn't necessarily reach the entire marketplace. We believe that the leasing approach will be a better tool for getting into the entire marketplace, with the emphasis on San Francisco food and beverage purveyors, as well as Bay Area.

We have had interest from as far away as Boston and Philadelphia.

This item seeks authorization to receive qualifications from those companies capable of undertaking this type of venture.

Commissioner Berman wanted it made clear that this does not allow for the actual selection.

Mr. Rhoades said that the selection criteria will focus on those companies that can singly or through a joint venture undertake what we are contemplating. The success of their qualifications will be based on how their previous clients viewed them.

Commissioner Berman asked when the final selection process will take place.

Mr. Rhoades responded that the RFQ will be issued tomorrow. We are on a very tight timeline. They will have three weeks to respond. They will be judged through a panel. We will return to the Commission to select a company in about five or six weeks.

Commissioner Strunsky asked if this is essentially a professional services company. They are skilled in evaluating proposals, the types of food services to be provided,



financial arrangements we might make with potential tenants. He assumed that none of these people will be preparing food, or profiting from that process.

Mr. Rhoades said that that is correct. The company we select will not be an operator. We are looking for a management company, not ony for the selection process, but the design and construction process as well. We will very likely retain them because we don't have the expertise on staff to oversee the food and beverage program.

Commissioner Strunsky assumed that when we receive these proposals, we might perceive that we are heading down the wrong road with this concept and determine that the master lease concept is best.

Mr. Martin responded that that is correct. We may find that there is no high level of interest in this concept and that we won't get the results that we want. However, we have heard from several companies who are very interested in this concept. He expects a fair and competitive environment. The Commission can always revisit this issue before the contract is awarded.

Commissioner Strunsky understood that the Director was not asking the Commission to make a commitment.

Mr. Martin said that that was correct.

Commissioner Crayton asked when it was decided that staff did not have the expertise to do the food and beverage leases at the Airport.

Mr. Rhoades responded that we currently have an operator that manages the food and beverage facilities on a day-to-day basis. Under that operator, there are sublessees. When a sublessee has some operational difficulty they go to the prime operator.

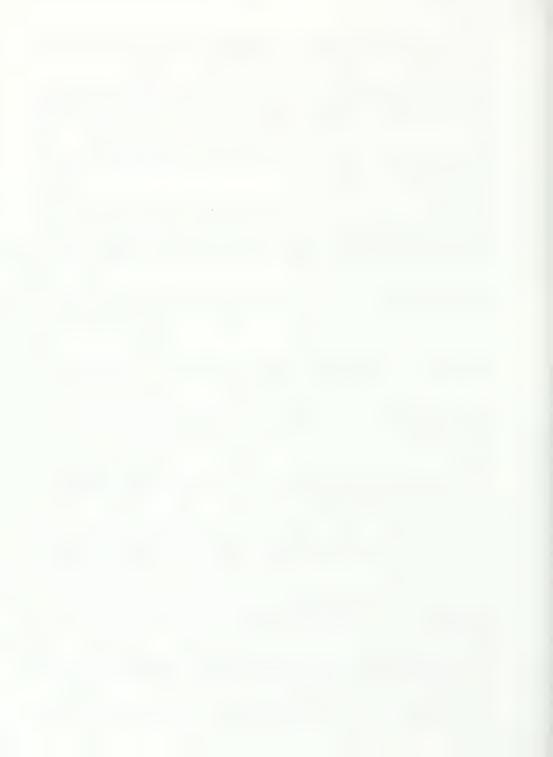
Our staff is not versed in the day-to-day operation of a food and beverage facility. However, inexperience in that area has nothing to do with our ability to go out and lease the facility and understand the marketplace.

Staff is not equipped to handle supply problems, for example. We do not get involved in operational issues. There are companies who act as an umbrella or an extension to our staff that will deal with the day-to-day operational issues. These are quite different from leasing issues.

Commissioner Crayton did not understand the evolution of this item. The Commission is being asked to do something that is completely new. She needs the opportunity to study it.

She said that it looks as if the DBEs will be advantaged, but she really can't tell for sure. She does not know who this new manager will be. Will that person assist in making sure that more minorities are in place?

Will this provide micromanagement to the actual food facilities themselves.



Mr. Rhoades believes that this process is a more broad based process for selecting and identifying companies who are eager to do business at the Airport, rather than using a master lessee who could then have fifteen individual leases.

The day-to-day management of a restaurant involves delivery systems and warehousing, among other things. Under a master contract the prime contractor handles those situations. In this particular case, with perhaps 15 or 16 lessees, there has to be some kind of system to help them manage logistics. Airport staff's function is not to manage the facility, but to identify marketing opportunities and interests and pursue those interests.

This firm will provide assistance to these businesses when they have difficulties in the operating environment.

Commissioner Crayton said that the Commission has had several briefings and she does not remember this coming up before.

Mr. Martin explained that this information was scheduled to be presented in a briefing he has been trying to schedule with her.

Mr. Rhoades added that this is a recent development.

Commissioner Berman noted that there is a fairly large pool of professionals in this field.

Commissioner Strunsky said that this is not a commitment to pursue this course. This process is to determine the validity of the concept.

Commissioner Crayton asked why this needs to be done so quickly.

Mr. Rhoades responded that we are 20 months from opening the new International Terminal. We do not know how long each step will take. Boarding Area G will be available for development next summer. We are concerned that if we don't have the construction phased properly it will be very difficult. The earlier we can identify our lessees, the better we can plan appropriately for the International Terminal activation.

Some contracts can take a long time to come to fruition ... from award, to design review, to construction.

Commissioner Ito believed that this is an opportunity to broaden the net and attract a diverse group of sublessees and opportunities for local businesses and DBEs.

Commissioner Mazzola assumed that the specifications will identify what this firm will manage, require them to provide their qualifications, and indicate the management fee.

Mr. Rhoades said that the potential selectees will present their qualifications, which will be client based. We will be interested in the experiences of their previous clients. A panel will select a firm and make the recommendation to the Commission for award. This piece is a request for qualifications only.



Commissioner Crayton asked if other airports have used this procedure.

Mr. Rhoades responded that Philadelphia and Atlanta are the only two he is aware of. Atlanta did it in two parts. They brought in a bid and hired a management company to oversee it. National Airport is being done by Boston Marketplace. They specialize in this type of activity.

Mr. Stan Synkowski, Vice President of Development for Host Marriott Services Corporation, said that it appears that the firm selected to manage this process will provide a variety of services.

First, they will conduct outreach services and act as a leasing agent for the 42,000 sq. ft. area based on a competitive selection process. Second, following the awards, they will be expected to manage both the design and construction process. Third, once the 17 contracts are awarded, they may be required to provide support services such as distribution, union negotiations.

He was uncertain if the \$1.2 to \$1.5 million estimated figure was an annual compensation. If so, will these costs be built into the rents. Typically, a developer receives a percentage of tenant sales.

He asked if the manegement firm will be permitted to operate a facility if it closes down for any reason. Will there be 17 individual subleases, and, if so, will there be 17 individual minimum annual guarantees?

Commissioner Berman asked Mr. Synkowski if he has had any conversations with Mr. Rhoades.

Mr. Synkowski said that he just received this information on Friday. He spoke briefly with Mr. Rhoades.

Mr. Martin said that he would be happy to schedule a meeting between staff and Host to go over this.

Mr. Robert McCarthy, McCarthy and Schwartz, representing Host, said that the Commission, in voting today, is authorizing staff to go down this road. It does not mean that it can't be pulled back.

This is not a traditional model, and is not the model that Host operates under at Washington National Airport.

The Commission should have the answers to the questions posed by Mr. Synkowski before this non-traditional model is embraced.

There are serious questions as to whether this ends up being substantially more expensive for the Airport. At a minimum, the Airport will incur a cost of between \$1.2 to \$1.5 million, perhaps annually, for the leasing arrangement. Does that get passed on to the tenants? Is there a minimum annual guarantee (MAG)? In a master lease, the master contractor is held responsible for the MAG. If the MAG is waived, the



Airport will be giving up substantial economic benefits.

With regard to the cost of the on-going services for management, it is their experience that those costs run between 4% and 8% of the gross, over and above the normal rent from concessionaires. Will that be passed back to minority contractors, or will the Airport eat that cost?

The Airport has projected \$25 million in sales. At 5%, that is another \$1.3 million a year that either the Airport eats, or the minority enterprises eat.

Before the Commission makes a decision, it needs answers to these questions.

Will this model provide a seamless operation? Mr. Rhoades indicated that the master leasing agent would not operate. What happens when a concessionair withdraws? We presently have a master lessor who is also a food and beverage operator. They have stepped in to temporarily operate a facility. A company in charge of the process that is specifically precluded from operating in that way, or lacks the expertise, may result in a service that is not seamless.

Mr. McCarthy presented the Commission with a timeline for this process that indicates that the Commission would have until November to authorize this model.

Mr. James Jefferson, The Jefferson Company, associated with Host, said that it was six years ago that MBEs received food and beverage concessions at the Airport. He worked for 20 years to achieve this, and he worked with Lou Turpen to develop the master concessionaire program.

This was achieved through a public process or public policy, it was because Host, upon receiving a lease extension, came forward with a voluntary program that took MBEs from zero participation to 40% in six years. It is important to remember that it is more difficult to achieve these things in the era of 209.

MBEs at the Airport are faced with problems such as financing, and having access to suppliers. These things determine the ability of an MBE to be successful. It is not just a matter of establishing a process, it is a matter of establishing an infrastructure to support the MBEs.

The master concession program was put into place in order to obtain a level of MBE participation.

He asked the Commission to delay its vote to allow them time to continue to work with staff to explore the implications of this model.

Commissioner Berman asked Mr. Martin about the time constraints.

Mr. Martin responded that he is concerned because the process to get the food and beverage leases awarded, the facilities designed, approved and developed within the 20 remaining months will be very difficult.

He recommended approving the resolution today. He will continue to work with the



Host team and continue the dialogue on this and any other options they want to discuss.

Commissioner Berman asked Mr. Martin how he felt about Mr. Jefferson's contention that this resolution is a step backwards.

Mr. Martin disagreed. Many of our food and beverage operators will go after some of these leases. They will be direct lessors with the Airport, rather than having a master lessor in the middle. This will be a big accomplishment.

He is confident that we will be able to obtain a high level of M/WBE and local participation under this process.

Commissioner Berman asked Mr. Martin if he believes we are on track

Mr. Martin responded that he believes we are on track to deliver. We are positioned to deliver a high level of participation with either the leasing agent concept or the master concept.

Mr. Jefferson said that MBEs were never able to achieve participation at the Airport six years ago because the MBEs could not qualify. It takes a lot of money ... start up capital and operating capital. The master concessionaire addressed those problems. This is a step backwards.

Commissioner Strunsky said that we are not making a commitment to go down this road. He wants to see this information gathered. He believed that the process that the Airport presented is the best gathering of that information. The two schemes can then be compared. In fairness, this information should be gathered as quickly as possible.

Mr. Jefferson asked for a brief delay in order to meet with staff and come up with a process that he feels would be better than what is before the Commission.

Commissioner Berman asked how much time he would need.

Mr. Jefferson responded that he believed he would need no more than a month.

Commissioner Ito asked if what Mr. Jefferson is asking can be done along with the Commission's approval of the resolution before them? She agreed with Commissioner Strunsky, but understood Mr. Jefferson's desire to present a better plan.

Mr. Jefferson suggested that the Commission could authorize the staff to issue the RFP but instruct them to delay the issuance for one month. This would provide the time to present the Commission with an alternative.

Commissioner Crayton asked Mr. Rhoades if he had seen the timeline presented by Mr. McCarthy and asked if it significantly differed from his timeline.

Mr. Rhoades responded that there is a difference ... they have a two step process in the RFQ, a preliminary RFQ and a final RFQ. This is nothing more than a request for



qualifications. It is not an RFP.

Mr. Jefferson commented that the staff report indicates that an agreement will be negotiated.

Mr. McCarthy said that if the Commission wants a sense as to which is the better proposal, this should be put off for a couple of weeks, and, the Commission should authorize an RFP for a master developer and an RFQ for a master operator.

Commissioner Mazzola said that the three speakers raised a number of good questions and he would like the answers. Approving this as written today is tantamount to giving approval to the idea. He didn't believe that the Commission is ready to give approval to something different than what was done in the past.

He appreciates the fact that staff is under a time constraint, however, he does not think that two weeks will hurt us. The Commission needs answers to these questions.

Mr. Martin said that Host has been a very good operator at the Airport, in terms of its relationship, the quality of facilities and its commitment to the M/WBE program. Host has been aware of his thinking throughout this process. He met with Mr. McCathy a month ago and informed him of the direction we were heading.

The Airport will pay all fees to the management leasing agent. There will be no fees paid by the restaurateurs. The food and beverage operators selected under this plan will only pay a percentage rent to the Airport. There will be no minimum annual guarantee. We recognize that that poses a potential problem for smaller businesses. We will provide capital financing for restarauteurs under this option of up to 50%. We will finance the facility improvements and recover those costs through the rent that we charge.

He emphasized that food and beverage is a service to our passengers most of all. This is not a big money maker. We will receive more than 20 times as much annual revenue from the retail and the duty free operators in the new International Terminal. We are estimating between \$1.5 to \$2 million in rent from food and beverage. While he does not want to imply that the rent is not important, against the bigger picture, the retail is far more important. A \$1.00 increase in parking rates will bring in an additional \$1.5 million in annual revenue.

Commissioner Strunsky said that the next Commission meeting is October 6. Would it be worthwhile presenting an idea and putting it to that meeting?

Mr. Martin said that he was concerned that the Commission will receive many requests in the coming 20 months to delay important actions that have to be taken to keep this on schedule. This won't stop. If this is put over to the next meeting, there are sure to be requests then to put it over again, or, comments that we are heading in the wrong direction.

Commissioner Strunsky suggested that since we have representatives from Host, perhaps we can reach an agreement ...



Mr. Martin interrupted Commissioner Strunsky and said that he wants to maintain a level playing field for the operators. He can't have staff sit down with just Host and try and reach an agreement with them. There are many other companies out there who have an interest. It sets a bad public policy if we are just trying to reach an agreement with them. We need to sit down with them to clarify issues, but in the end they are just one more company.

Commissioner Crayton wondered, knowing that the delay might be problematic, if it were possible to discuss the issues this week or next week.

Mr. Martin said that the Commission should move ahead with the approval, however, discussions can continue.

Mr. Rhoades reiterated that this action simply approves issuing a request for qualifications. This is not a request for proposals. Staff will return to the Commission with the results of the RFQ and a recommendation for award of the contract.

Item No. 1 was adopted by a 4 to 1 vote, with Commissioner Crayton casting the dissenting vote.

 Authorization to Accept Bids for Three Individual Small Business Enterprise Set-Aside Contracts and Golf Shop Specialty Lease

No. 98-0230 No. 98-0231 No. 98-0232 No. 98-0233 Resolution authorizing staff to accept bids for three individual small business enterprise leases, and to remove the small business enterprise requirement from the Golf Shop Lease and accept bids for same.

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 12 through 24 were adopted unanimously.

 Award of Professional Services Contract No. 5604.1 - Architecture / Engineering Services for the Police Training Facility - Arthur Tam and Associates - \$245,562

No. 98-0234

Resolution awarding Contract 5604.1, Architecture / Engineering Professional Services for Police Training Facility to Arthur Tam & Associates in the amount of \$245,562 to be funded by Capital Improvement Project (CIP) funds. This project is included in the 1998 Capital Plan.

13. Modification No. 4 of Professional Services Agreement for Contract No. 5520
Boarding Area G - Hellmuth, Obata & Kassabaum, Inc., Architects - \$175,000

No. 98-0235

Resolution approving Modification No. 4 to



Professional Service Agreement with Hellmuth, Obata & Kassabaum, Inc., Architects (HOK) for Contract 5520, Boarding Area G in the amount of \$175,000.

- (1) Additional service to define Airport goals for space management, in-depth investigation/comprehensive condition assessment of existing space occupancy at the Airport. Modification is in the amount of \$130,000 and funding will come from Operating Budget Funds.
- (2) Additional services for Airlines' Changes in the amount of \$45,000. Funding will come from non Master Plan Capital Improvement Project funds.

No impact on the Master Plan Baseline Budget.

### Modification No. 5 to Professional Services Contract No. 5000 - Leigh Fischer Associates - \$80,000

No. 98-0236

Resolution approving Modification No. 5 of Professional Services Contract 5000, with Leigh Fischer Associates to increase the scope of service by providing an Airport Master Plan public relations video, and to increase the contract amount by \$80,000.

## 15. <u>Modification No. 16 to Professional Legal Services Agreement with Morrison and Foerster</u>

No. 98-0237

Resolution approving Modification No. 16 to Professional Legal Services Agreement with Morrison and Foerster relating to the Airline Lease/Master Plan Contract to increase compensation in the amount of \$500,000. All other terms and conditions to remain in full force and effect.

### 16. Bid Call - Contract No. 5709A - AirTrain Road 6 and Rental Car Center Stations

No. 98-0238

Resolution approving scope, budget and schedule for Contract 5709A, AirTrain Road 6 and Rental Car Center Stations, and authorizing the Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential



environmental impacts for purposes of the California Environmental Quality Act (CEQA).

17. Award of Contract No. 3997 - As-needed Telecommunications Construction/Repairs 1998-1999 - Barri Electric Company, Inc. - \$407,321

No. 98-0239

Resolution awarding Contract 3997, As-needed Telecommunications Construction/Repairs 1998-1999, to the lowest responsive, responsible bidder, Barri Electric Company, Inc., in the amount of \$407,321.

18. <u>Award of Professional Services Contract to Provide a Graphical System - Psomas and Associates - \$72,500</u>

No. 98-0240

Resolution authorizing Professional Services Contract with Psomas & Associates to provide a graphical system to monitor land use compatibility with aircraft noise around the Airport to insure compliance with State of California Aircraft Noise Standards, Title 21. \$72.500

 Modification No. 9 to Professional Services Contract - State Legislative Advocacy Kenyon and Edelstein - \$52,500

No. 98-0241

Resolution authorizing Modification No. 9 to Professional Services Contract with Kenyon and Edelstein for Legislative Advocacy Services to include funding of contractor's general City advocacy services that are reimbursed by the Mayor's Office. \$52,500.

20. Modification No. 3 to Professional Services Contract with Roger Chinn - Liaison to the Airport/Community Roundtable - \$30,000

No. 98-0242

Resolution authorizing Modification No. 3 to the Professional Services Contract with Roger Chinn to continue his services as liaison to Airport/Community Roundtable members and Peninsula communities concerning aircraft noise mitigation issues. \$30,000.

21. Reimbursement to American Airlines for the Rental of Two Additional Sump Pumps for Plot 40 - \$13,608

No. 98-0243

Resolution approving reimbursement in the amount of \$13,608 to American Airlines for the rental of two additional sump pumps associated with a new parking



lot on Plot 40 adjacent to the Superbay Hangar.

## 22. Rental Credit to DFS Group, L.P. for Work on Behalf of the Airport - Not-to-Exceed \$12,700

No. 98-0244 Resolution authorizing a rental credit to DFS Group,

L.P. for providing lighting on Boarding Area D in an

amount not-to-exceed \$12,700.

### 23. FAA Lease Renewal - Runway End Identification Lights (REIL)

No. 98-0245 Resolution authorizing Director to execute FAA Lease

No. DTFA08-98-L-18606 for continued operation of Runway End Identification Lights (REIL), Runway 01L.

### 24. FAA Lease Approval - Installation of Precision Approach Path Indicator (PAPI)

No. 98-0246 Resolution authorizing the execution by the Director of

FAA Lease No. DTFA08-98-L-18627 for installation of

Precision Approach Path Indicator (PAPI).

### J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Mike Smith, Thunder Electric, expressed his concerns regarding BAE's apparent unwillingness to award the electrical subcontract work for Contract No. 5500F, Baggage Handling System in the new International Terminal to Thunder Electric. He expressed his gratitude to Airport staff for motivating BAE to live up to its obligations.

Mr. Kardos said that he spoke with BAE and they are committed to awarding the electrical subcontract work contract within a week. He did not see any intentional deviation from the original agreement. It was more due to the fact that there was a management change in BAE, and they were also learning the rule of public contracting. This is their first contract with a public agency.

### K. CORRESPONDENCE:

There was no discussion by the Commission.



The Commission recessed its meeting at 10:58 AM and reconvened at 11:03 AM. They voted unanimously to go into closed session.

#### CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a)(1) to confer with legal counsel regarding the settlement of a noise claim of Michael E. Guerra, mutual release of pending claims, and related litigation thereto, City and County of San Francisco v. Guerra; and, settlement of an unlitigated grievance of Building Material & Construction Teamsters' Union Local #216 in the amount of \$250,000; and Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Air Transport Association of American et al v. City and County of San Francisco, Human Rights Commission and Airport Commission.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 11:44 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session.

### M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:45 AM.

Jean Caramatti Commission Secretary



### PROCESS TO SELECT LEASING AGENT/MGT COMPANY

November 1998	Issue RFQ (Prelim)
December 1998	Pre-Proposal Mtg/Q & A Period
December 1998	Final RFQ Released
January 1998	Submittal Deadline
February 1998	Staff Recommendation
February 1998	Airport Commission Approval
March 1999	Board of Supervisors Approval
March 1999	Award Contract

# PROCESS TO SELECT-CONCESSINAIRE.AND BUILD OUT F & B FACILITIES

March/April 1999	Complete Out Reach Activities/Issue
	Prelim RFP/B's
April 1999	Pre-Proposal Mtg/ Q & A Period
May 1999	Final RFP/B's Released
June 1999	Submittal Deadline
July 1999	Leasing Agent /Staff Review and
	Recommendation
July 1999	A/P Commission Approval
August 1999	Board of Supervisor Approval
August 1999	Submit Plans for Design/Committee
	Approval
September 1999	Comments & Revisions/Final Plans
	Complete_
September 1999	Final Plans/Submit For Permits
November 1999	Permits Received/Start Const.
December/March 2000	Build Out Facilities (90-120 days)
May 2000	Open



# SAN FRANCISCO AIRPORT COMMISSION



# MINUTES

OCTOBER 13, 1998 SPECIAL MEETING 9:00 A.M.

ROOM 428 - WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President

MICHAEL S. STRUNSKY
LARRY MAZZOLA
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN Airport Director NOV L 7 1998

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## Airport Commission Special Meeting Minutes October 13, 1998

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

B. ROLL CALL:

Present: Hon. Henry E. Berman, President

Hon. Michael S. Strunsky Hon. Linda S. Crayton

Hon. Caryl Ito

Absent: Hon. Larry Mazzola

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 15, 1998 were adopted unanimously.

No. 98-0249

D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution Nos.

98-0247 regarding the settlement of an unlitigated grievance of Building Material & Construction Teamsters' Union Local 216 (Airport Project Stabilization Agreement); and 98-0248 regarding the settlement of a noise claim of Michael E. Guerra and the Mutual Release of Claims at the

closed session of September 15, 1998.

\* \* \*

#### E. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

 1997 Recipient of the Russell J. Mayweathers Custodial Services Employee of the Year Award - Jin H. Chen



No. 98-0250

Mr. John Martin, Airport Director introduced Mr. Jin Chen and Severin Rizzo, head of custodial services.

Mr. Martin commended Mr. Chen for his dedicated service to the Airport. Mr. Chen has been with the Airport since 1987. This award is well deserved.

Commissioner Berman congratulated Mr. Chen on behalf of the Commission.

### F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

### G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was adopted unanimously.

 Modification No. 7 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley, A Joint Venture - \$31,029,957

No. 98-0251

Resolution approving Modification No. 7 to Contract 5500E, International Terminal General Construction with Tutor-Saliba/Perini/Buckley, A Joint Venture, in the amount of \$31,029,957, for work related to transferred scope, concessions and Airlines revisions, design changes to facilitate construction, unanticipated conditions, and change impact mitigation. Funding sources are transfers from other Master Plan budgets, construction contingency, Capital Improvement Program (CIP), and Management Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction, explained that this modification is a compilation of changes comprising scope transfers, changes triggered by the concession expansion and airline-initiated revisions, design drawing coordination issues facilitating construction, unanticipated conditions and change impact mitigation.

As detailed in the agenda package, the funding sources are transfers from other contracts, contract contingency, CIP funds and management reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board. The costs have been included in the budget forecasts presented



to the Commission previously in our first and second quarter reports for 1998. This Commission action formalizes those forecasted changes.

Commissioner Strunsky noted that this is a large amount of money, though not unexpected. He asked if we are making the right kinds of deals with the contractors? Are we receiving the value we should receive for these changes?

Mr. Kardos responded yes to both questions. The program, by its size, defines the size of the changes to some extent.

Commissioner Strunsky commended staff on the well spent dollars.

Commissioner Strunsky said that as big as this change order is, it is well put together.

\* \* \*

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos 3 through 5 were adopted unanimously.

 Modification No. 2 - Contract No. 5650B - Quick Turn Around (QTA) at Rental Car Facility at Lot D - Dennis J. Amoroso Construction Co., Inc/Marinship Construction Services, Joint Venture - \$484,462

No. 98-0252

Resolution authorizing Modification No. 2 to Contract No. 5650B, Quick Turn Around at Rental Car Facility on Lot D, with Dennis J. Amoroso Construction Company, Inc./Marinship Construction Services, J.V, in the amount of \$484,462.

This work is related to drainage revisions, changes to the fire protection lines and hydrants, and relocation of settlement joints.

The modified contract amount is within the current contract budget. Funding is provided from dedicated Capital Improvement Project (CIP) funds with no impact on the Master Plan Baseline Budget.

Mr. Kardos explained that this modification covers work related to revisions to the storm drainage system, fire protection lines and hydrants, and piping details at various settlement joints of the MAT foundation system.

This resolution increases the contract amount by \$484,462 to a total of \$13,187,662, and the contingency budget by \$186,050, to a total of \$989,075.



The total committed budget (contract plus contingency) will be \$14,176,737 versus the \$15,000,000 construction budget.

The contractor will maintain the 13% MBE and 6% WBE participation established for the original contract.

 Award of Professional Services Contract - Hovercraft Demonstration - Pacific Transit Management Corporation - \$49,214

No. 98-0253

Resolution awarding a Professional Services Contract for a Hovercraft Demonstration to Pacific Transit Management Corporation in the amount of \$49,21

Mr. Peter Nardoza, Deputy Director, Public Affairs explained that in the Spring, Pacific Transit Management issued a study on the feasibility of ferry service to the Airport. The study concluded that the hovercraft is the only financially viable way to go.

At the same time the report was coming out, the Canadian Coast Guard was coming out with a new hovercraft. They have agreed to use the San Francisco Bay as a test site.

This contract will allow us to be part of that study to look at noise, weight, etc.

Commissioner Berman said that he has received a number of calls from people who are unhappy with the hovercraft.

Mr. Nardoza responded that this test will answer a number of concerns.

Commissioner Strunsky asked if we are also approving reimbursement to the Canadians.

Mr. Nardoza responded that the reimbursement is also included.

Commissioner Strunsky felt that the Canadians should be getting the suppliers of the hovercraft to do this as a demonstration project. It should be done as business development.

Mr. Nardoza noted that this is standard procedure.

Mr. Martin added that the hovercraft was to be shipped to Vancouver to go into service. This test in San Francisco is delaying that service.

5. <u>Authorization to Award the Boarding Areas B and C Bookstores Lease to Host International, Inc.</u>



Mr. Bob Rhoades, Deputy Director for Business and Finance explained that earlier this year the Commission authorized staff to accept bids for the bookstores lease. The minumum acceptable bid was \$450,000. The lease was targeted for true book sellers, such as City Lights, Stanford Books, etc.

Just prior to the bid opening, staff received several calls indicating that the minimum bid was too high. Unfortunately, this information was received too late and staff had to proceed with the bid opening. No bids were received.

Staff subsequently reduced the minimum annual guarantee to \$200,000 and opened up the lease to other companies who were in the book business, though not exclusively.

Three bids were received on September 9 ... Host International (\$410,000), The Benjamin Company (\$379,526), and WH Smith (\$302,000).

Host has met the minimum qualifications and the Human Rights Commission has approved the affirmative action plan. Host is submitting its paperwork for the Equal Benefits Ordinance.

Commissioner Strunsky asked if Host has experience in running bookstores.

Mr. Rhoades responded that they ran Author's bookstore at the Airport.

# I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 6 through 14 were adopted unanimously. Item No. 8 was removed from the calendar.

6. <u>Modification No. 1 to Contract No. 5510.4 - Materials Testing and Special Inspection Services for New Boarding Area A and Boarding Area G - Inspection Consultants, Inc. - \$310.000</u>

No. 98-0255

Resolution approving Modification No. 1 to Contract No. 5510.4, Materials Testing & Special Inspection Services for New Boarding Area A and Boarding Area G in the amount of \$310,000 for additional concrete, welding, and proof load/pull testing inspections and for the materials testing inspector prevailing wage increase. Funds for this modification will come from Boarding Areas A & G project budgets with no impact on the Master Plan.



7. Modification No. 4 to Contract No. 5515.3 - Security and Special Systems Holmes and Narver - \$289,922

No. 98-0256

Resolution approving Modification No. 4 to Contract No. 5515.3, Security and Special Systems, with Holmes and Narver in the amount of \$289,922.

The full amount will be covered by budget transfers with no impact on the Master Plan Baseline Budget.

Commissioner Strunsky said that security and special systems is critical with respect to opening the terminal. He wanted to be sure that this change order includes whatever efforts Holmes and Narver would have to make to open on time.

Mr. Kardos responded that these are minor items but they correlate to the overall system in assisting existing operations and integrating them.

- 8. Item No. 8 was removed from the calendar.
- Rescind Authorization to Accept Bids for a Shoeshine Lease and Authorize Staff to Issue a Request for Proposals and Accept Proposals for a Shoeshine Service Lease

No. 98-0257

Commissioner Crayton commended staff on assuring that the local index would prevail for the shoeshine lease and, further, that the previous operator would be allowed to rebid on this lease.

 Rescind Resolution No. 98-0161 Awarding Professional Services Contract to Provide International Aviation Development Services to APCO International Services Pracitices Group and Authorizing Award of Professional Services Contract to Gerchick, Korens Associates, PLLC

No. 98-0258

11. Approval to Amend the Hair Salon Lease Reflecting Relocation

No. 98-0259 Resolution approving the Hair Salon Lease

reflecting relocation from the International



Terminal Connector to the South Terminal, presecurity area of Boarding Area C.

# 12. Reject All Bids - Contract No. 3546 - Runway 28L-10R Overlay and Reconstruction

No. 98-0260

Resolution rejecting all bids for Contract No. 3546, Runway 28L-10R, Overlay and Reconstruction, and to authorize the Director to re-bid this contract when ready.

# 13. <u>Bid Call - Contract No. 4005 - Police Training Facility Storage Magazines/K-9 Training Site</u>

No. 98-0261

Resolution approving the scope for Contract No. 4005, Police Training Facility Storage Magazines/K-9 Training Site, and authorize the Director to call for bids when ready.

## 14. Retirement Resolution - Thomas L. Parks

No. 98-0262

J. PUBLIC HEARING:

The public hearing was convened at 9:22 AM and adjourned at 9:30 AM, there being no further comments from the public. Item No. 15 was put over.

 Revisions to the Airport's Rules and Regulations Regarding Ground Transportation Operations

Resolution adopting revisions to various sections of Appendix B of the Airport's Rules and Regulations pertaining to Waybills by Charter, Pre-arranged Transit and Limousine Operators.

Mr. Martin explained that this is a minor change to the Airport's Rules and Regulations regarding ground transportation. It will require limousine operators to have way bills for drop-off passengers, in addition to the way bill requirements already in place for pick up.



Commissioner Berman asked if a public hearing was held prior to this with the industry.

Mr. Martin responded that there was no public hearing. This is a very minor item.

Ms. Alice Sgourakis, Landside Operations, said that there is a word processing error in the resolution which indicated that a public hearing had been held at a previous meeting. That hearing was not held.

Mr. Mark Gruberg, United Taxicab Workers, said that he did not understand the nature of the change when he put in his request to speak. It appears to be a minor change. He has no comments.

Mr. Rich Azzolino, Northern California Livery Group, said that he was surprised to see this on the calendar without notification. He was bothered by the comment in the resolution which read, "...a public hearing was convened on October 1, 1998 and no comments were made at this hearing." He does not understand how a statement like that can be made before the meeting occurs.

Commissioner Berman asked if he is for or against the item.

Mr. Azzolino said that he likes the idea of incoming and outgoing way bills.

Commissioner Berman asked Mr. Azzolino if he was concerned with the communication.

Mr. Azzolino responded that communication is good. He had a long conversation with Alice Sgourakis on Friday.

His only comment is with Mr. Martin's statement that "... it is consistent with existing PUC requirements." There is a small inconsistency. The name of the person requesting the charter and the number of persons in the party are required for ground transportation operators. That is consistent with the PUC. However, limousines are required to supply the numbers and names of every passenger to be met or dropped off. That is inconsistent with the PUC.

He sees an open door for the Police to call the names on way bills to match with passengers.

He would like that language changed to be consistent with the PUC. There is nothing in the PUC that requires the name of the passenger in the vehicle.

Mr. Martin said that this item should be put over in order for staff to meet with the Northern California Livery Association to go over any concerns.

Commissioner Strunsky agreed with Mr. Azzolino's concerns.



Mr. Azzolino explained that very often a reservation is made under a company name.

Mr. Mike Waters said that his issue does not pertain to way bills, it pertains to Airport operating permits for charter bus operators.

Section 3.3E asks for all buses of a particular company to have identical color schemes and markings.

Commissioner Strunsky said that that issue is not before the Commission.

Mr. Waters said that the PUC requires buses to be identified by the operator name and PUC or ICC operating numbers. To implement this change would cost approximately \$5,000 per bus.

Commissioner Berman asked if this was discussed with staff.

Mr. Martin said that this requirement is in the existing language. It is not a change. He recommended that these concerns be placed in writing, and a meeting with the Landside staff be scheduled.

\* \* \*

#### K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

### L. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

### M. CLOSED SESSION:

The Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.



The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

N. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 9:32 AM.

Jean Caramatti
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



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# MINUTES

October 27, 1998 Special Meeting 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128

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# Minutes Airport Commission Special Meeting October 27, 1998

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### Airport Commission Special Meeting Minutes October 27, 1998

#### ORDER OF BUSINESS

### A. CALL TO ORDER:

B.

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

ROLL CALL:

Present Hon. Henry E. Berman, President

Hon. Michael S. Strunsky Hon. Linda S. Crayton

Hon. Caryl Ito

Absent: Hon. Larry Mazzola

\* \* \*

C. ADOPTION OF MINUTES: Special meeting of October 13, 1998.

No. 98-0263

The minutes of the special meeting of October 13, 1998 were adopted unanimously.

\* \* \*

### D. DIRECTOR'S REPORTS:

# Master Plan Quarterly Report

Report on the status of the Master Plan Projects as of September 15, 1998, in accordance with the Baseline Budget and Schedule.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that by the third quarter of 1998, the Airport awarded \$2.054 billion, or 88% of the program budget excluding contingency and management reserve. In terms of construction only, a total of \$1.661 billion, or 88% of the budget has been awarded through the reporting period. New construction contract awards during the last quarter totaled \$16.8 million. Total contract awards during this quarter amounted to \$38 million including contract modifications in both construction and professional services.

Over the next six months we anticipate awarding approximately \$29 million in

Minutes, October 27, 1998, Page 3



construction contracts. The total awarded percentages will reach 90% of the program budget, or 93% of the construction budget. Both excluding contingency and management reserve.

Invoices approved since the last report totaled \$218 milion, bringing the total invoiced amount to \$1.324 billion or 51% of the total current budget.

Contingency usage to date is \$78 million, or 53% of the \$147 million budget (composed of \$134 million Master Plan and \$13 million non-Master Plan) compared to a completion level of 53% based on approved invoices. The current management reserve budget is \$115 million, a \$3 million decrease from the previous report primarily due to schedule mitigation costs associated with the North Connector building contract. The current forecast for the Management Reserve budget at completion is \$85 million, a \$17 million decrease from the previous report due to schedule mitigation costs and additional trends and change orders in the International Terminal, Boarding Area A, North Connector building and North Cargo Facility.

The total program reached 56% completion, with 84% design completion and 53% construction completion.

The International Terminal building is 64% complete. We are accelerating selected work activities to enclose the building by year's end to minimize weather impact on architectural finishing work. Boarding Areas A and G are proceeding on schedule for an August 1999 and April 1999 respective completion.

Both the elevated circulation roadways and the inbound/outbound ramps projects require selective acceleration to maintain the original schedule.

The ART operating system supply contract is in its design phase. Full passenger service is scheduled for December 15, 2001.

Two of the three Securities and Special Systems contracts are in the design stage and will begin field activities in October. The third is continuing cable installation in the outside plant .

In the area of job safety our actual rate of 9.79 for recordable incidents, while below the national average, shows an increase compared to our last report and exceeds our goal of 5.3, 50% of the Federal average. Our lost time incident rate of 3.26% is slightly above our goal of 2.45, also 50% of the 4.9 Federal average.

The MBE/WBE participation is 23% / 5% respectively on the program level. A breakdown by the major sub areas is presented in the report.

In summary, the Master Plan Implementation Program is proceeding on the basis of selective work acceleration to meet the scheduled completion date while remaining within the baseline budget.

Commissioner Strunsky, referring to the S curves indicating progress and cash flow, said that these charts show a very healthy project. The progress and the cash flow



are pretty much in the middle of the curve, leading to on-time completion. He asked Mr. Kardos if he can envision any reasons why this project should not be completed on time. We are half way through and we appear to be on target.

Mr. Kardos responded that there is nothing at this time to indicate a red flag. However, we are entering the finishing stage of the project, which is very difficult stage. The prudent thing to do is to maintain control over the changes that may come up.

Commissioner Strunsky asked about labor shortages.

Mr. Kardos responded that we are presently being told by the contractors that we will not experience any major shortages.

We are concerned about the shortages in electricians. We are forecasting the demand for electricians and we are talking to the unions about it.

Commissioner Strunsky asked if there is anything else that might come up that might take this out of the early start, late finish envelope?

Mr. Kardos responded that we have to constantly maintain the review and control of schedules. There are interface issues that crop up unexpectedly.

## E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

## F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos 2 and 3 were adopted unanimously.

 Award of Additive Alternate #1, Providing Terrazzo Finish at the BART Platform and Additive Alternate #6, Computer Parking Control Systems for the North and South International Parking Garages for Contract No. 5670A Concourse H/ART Station and North International Parking Garage - Tutor-Saliba Corporation - \$3,110,000

No. 98-0264

Resolution awarding Contract No. 5670A Additive Alternate #1, Provide Terrazzo Finish at the BART Platform, in the amount of \$330,000; and Additive Alternate #6, Computer Parking Control System for the North and South International Parking Garages, in the amount of \$2,780,000, to the project's general contractor, Tutor-Saliba Corp., in the total amount of \$3,110,000. Alternate #1 will be funded by BART. Alternate #6 will be funded from operating funds. The award has no impact on



## the Master Plan Baseline Budget.

Mr. Kardos explained that the base contract for Concourse H/ART Station and North International Garage was awarded by the Commission on December 16, 1997, in the amount of \$114.4 million. The award included two additive alternates.

This item proposes the award of two more additive alternates. Alternate #1 provides terrazzo finish at the BART platform in the amount of \$330,000, and Alternate #6 provides computer parking control system for the North and South International Garages (\$2.78 million).

The cost of Alternate #1 will be initially covered by the Airport's \$200 million BART contribution and will be ultimately reimbursed by BART from its mainline contingency budget.

Alternate #6 will be funded from the Airport's operating fund.

The \$3.11 million award covered by the proposed resolution has no impact on the Master Plan Baseline Budget.

Commissioner Strunsky noted the value engineering with regard to the disparity between the engineer's estimate and the cost in the Parking Control System. He asked if we will proceed with the value engineering before award of the alternate.

Mr. Kardos responded that the value engineering took place prior to award. The nature of competitive bidding worked in our favor and the bid came in at about half price.

No. 98-0265

Resolution awarding Professional Service Contract No. 5832.I, Architecture/ Engineering Professional Services for Emergency Response Facility #4 and Related Utilities and Infrastructure in the amount of \$529,080 to be funded by Master Plan funds.

Mr. Kardos explained that in February 1998 the Commission approved the selection of Studios Architecture/Joseph Chow and Associates for the design of the Airport's Emergency Response Facility #4. Under this authorization staff negotiated a \$501,360 lump sum for the performance of architecture and engineering services with an allowance of \$22,720 for additional services. The contract was reviewed and approved by the Airport's Professional Services Fee Review Committee.

The negotiated fee complies with the contract budget (\$529,080) which is composed of the amount of \$240,450 budgeted for the facility in the baseline budget and a transfer of \$288,630 for the design of the utility work from project 5601, Utility Relocations.



The MBE/WBE goals for the project has been 22%/5% respectively. The architecure/engineering team committed 26%/3.3%. The Human Rights Commission and Airport staff are of the opinion that the team meets the overall subconsultant participation requirements.

Commissioner Strunsky asked if the location of this project coordinated with any and all possible future runway locations?

Mr. Kardos responded that it is going to be reviewed. We will have the initial evaluation in December.

Mr. Martin added that we will finalize the runway reconfiguration feasibility study and the alternatives before we proceed with this project. The options that we are presently looking at will still make this project feasible.

Commissioner Crayton noted that a great deal of money was going towards M/WBE subconsultants. She asked if the M/WBE participation was broken down by ethnicity.

Mr. Kardos responded that it is.

\* \* \*

## G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 4 through 12 were adopted unanimously.

 Professional Services Agreements with Executive Search Firms - Quest Point Group, Blue & Garni, Boyden International - \$200,000

No. 98-0266

Resolution awarding Professional Services Agreements with executive search firms, Quest Point Group, Blue & Garni, and Boyden International to assist in meeting senior and management staffing needs associated with Airport expansion in the amount of \$200,000.

Ms. Theresa Lee, Deputy Director, Administration explained that this item allows the Airport to access numerous resources that will help our recruitment in senior and management positions. We are currently in a very competitive employment environment. These three recruiting firms will assist the Airport in this regard.

Over thirty firms were surveyed. Six responded. Two complied and were interested in working within our City requirements. Quest Point Group, an African American firm, was selected. The second firm selected, Blue and Garni, is a Hispanic/womanowned firm. Boyden International, the third firm, is multi-national.

Commissioner Ito commented that she was pleased to see that a Hispanic firm was selected, as the numbers for Hispanic employment are lacking.



Commissioner Crayton said that she was pleased to see the variety in minority employment in this contract. We need to tell the story that the Airport is doing everything possible to retain and seek additional qualified minority firms. She thanked Ms. Lee for her aggressive approach to this issue.

## 5. Transportation Planning Consultants Short List

No. 98-0267 Resolution approving a short list of consultants for Transportation Planning Studies and Analyses.

Ms. Wanda Williams, Deputy Director for Planning and Environmental Affairs explained that this item provides a short list of 11 firms for transportation planning studies. These firms were selected on the basis of their ability and willingness to perform the range of technical and transportation studies as well as a willingness to include minority and women-owned businesses as their overall team. Staff will return to the Commission with specific contracts in place to show this participation.

## Authorization to Issue a Request for Proposals for a New Caltrain-SFO Shuttle Contract

No. 98-0268

Resolution authorizing the Director to issue a Request for Proposals (RFP) for operation of the Caltrain-SFO Shuttle from April 1999 until the introduction of BART service, utilizing reliable clean fuel vehicles.

Ms. Alice Sgourakis, Landside Operations explained that the CalTrain-SFO Shuttle began weekday service in 1994. Service was expanded in 1995. In 1995 SFO Airporter was awarded a new contract for one year with four one year options. The Commission extended SFO Airporter's contract for six months, through March 30, 1999.

The condition of the roadways during construction has taken its toll on the vehicles. Maintenance costs has increased as a result. The growth in ridership has increased beyond our expectations, and the vehicles are too small.

To increase the quality of service, reduce maintenance costs and encourage the use of clean fuel vehicles for this service staff proposes to issue an RFP for a new four year contract, commencing in April 1999, or, until BART service is reliably in place between Millbrae and the Airport.

This shuttle service helps the Airport in achieving its trip reduction rules as part of the Environmental Master Plan Remediation Program. While this program has no specific MBE/WBE goals, staff has proactively made an outreach effort to qualified scheduled bus operators to familiarize them with this opportunity.

Commissioner Berman asked who will monitor this contract.



Ms. Sgourakis responded that the contract is monitored by Landside Operations.

Commissioner Ito questioned if we will actually have BART service to Millbrae, based on what is going on at the Board of Supervisors and Supervisor Yaki's sentiments.

Mr. Martin responded that the Airport, the City of San Francisco, the Air Transport Association and BART entered into a multi-party agreement on BART to the Airport. Included in that agreement is a requirement that the Millbrae station be in service by the time that service starts at the Airport. Further, it requires that the Millbrae station must be half way complete before BART can begin putting in the tracks and the electrical system into the Airport station. The reason for those requirements is that if the Airport is the sourthern most terminus, the Airport roadways would reach gridlock. Millbrae will be open at the same time as the Airport station.

Commissioner Crayton asked if the selected provider will be required to meet ADA standards.

Mr. Sgourakis responded that they will.

Item Nos. 7 through 12 were called together.

 Approval of Revised Bid Requirements and Lease Specifications and Authorization to Receive Bids - New International Terminal Kids Interactive Apparel Store Lease

No. 98-0269

8. <u>Approval of Revised Bid Requirements and Lease Specifications and Authorization to Receive Bids - New International Terminal Unisex Apparel Store Lease (Men's and Women's Apparel Store)</u>

No. 98-0270

 Approval of Revised Bid Requirements and Lease Specifications and Authorization to Receive Bids - New International Terminal Nature Theme Store Lease

No. 98-0271

10. <u>Approval of Revised Bid Requirements and Lease Specifications and Authorization to Receive Bids - New International Terminal Drugstore Lease</u>

No 98-0272

11. Approval of Revised Qualification/Proposal/Bid Requirements and Lease Specifications and Authorization to Receive Qualifications/Proposals/Bids - New



#### International Terminal Museum Store Lease

No. 98-0273

12. Approval of Revised Qualification/Proposal/Bid Requirements and Lease Specifications and Authorization to Receive Qualifications/Proposals/Bids - New International Terminal Aviation Store Lease

No. 98-0274

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that by Resolution 98-0120 the Commission authorized staff to conduct pre-bid conferences for Item Nos. 7 through 10. By Resolution 98-0240 the Commission authorized staff to conduct pre-proposal conferences for Item Nos. 11 and 12. Those conferences were held.

Our objective has been to attract companies who normally operate in mall environments rather than Airport environments. It became apparent from the prebid conferences that we needed to reduce the minimum acceptable bids and make some minor adjustments to the rent structure.

On Item nos. 11 and 12 we waived the requirement that a bidder have a major facility in one of the nine Bay Area Counties.

Commissioner Crayton noted that there was minority participation at the pre-bids.

## H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

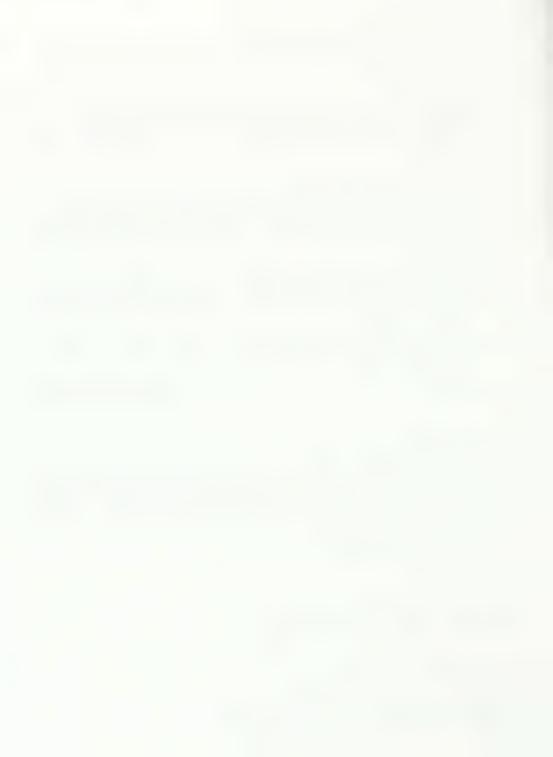
## I. CORRESPONDENCE:

There was no discussion by the Commission.

## J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

Minutes, October 27, 1998, Page 10



The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a)(1) to confer with legal counsel regarding the settlement of unlitigated Americans with Disabilities Act claims of Sharon J. Dawson and Stanley Pauer in the amount of \$37,500, and Mary Lou Breslin and Curtis Cone in the amount of \$65,000.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its meeting at 9:50 AM and voted unanimously to disclose the settlement of unlitigated Americans with Disabilities Act claims of Sharon J. Dawson and Stanley Pauer in the amount of \$37,500, and Mary Lou Breslin and Curtis Cone in the amount of \$65,000. Approval of these settlements was unanimous.

Resolution Nos. 98-0275 and 98-0276 respectively.

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:51 AM.

Jean Caramatti Commission Secretary



## SAN FRANCISCO AIRPORT COMMISSION





4 MINUTES

November 17, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## **COMMISSIONERS**

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

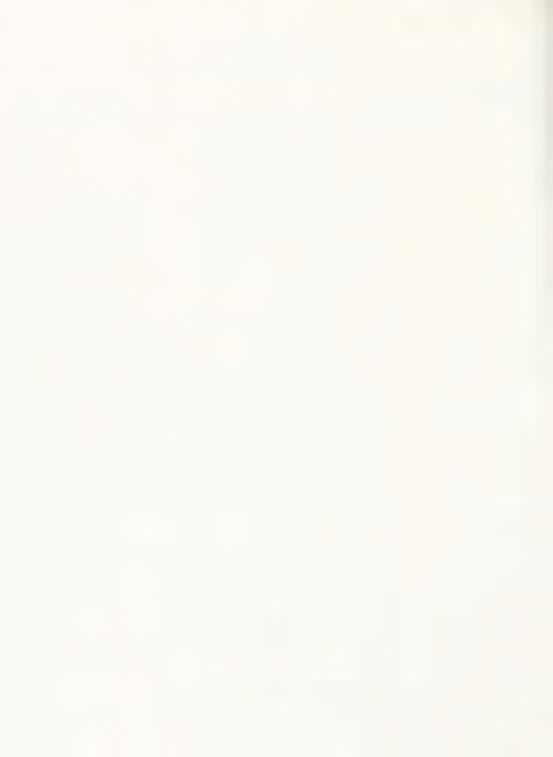
SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



# Minutes Airport Commission Meeting November 17, 1998

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	7.	Approve (1) the Engagement of Professional Firm to Provide Tenant Outreach, Leasing & Management Services for the new International Terminal Food & Beverage Program and Award the Agreement for these Services to Pacific Gateway Partnership; and (2) Award of Agreement to Provide Management		
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## Airport Commission Meeting Minutes November 17, 1998

#### ORDER OF BUSINESS

#### A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

\* \* \*

#### B. ROLL CALL:

Present Hon. Henry E. Berman, President

Hon. Michael S. Strunsky Hon. Larry Mazzola Hon. Linda S. Crayton

Hon. Caryl Ito

\* \* \*

#### C. ADOPTION OF MINUTES:

The minutes of the special meeting of October 27, 1998 were adopted unanimously.

No. 98-0277

\* \* \*

## D. ANNOUNCEMENT BY SECRETARY:

In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution nos. 98-0275 regarding the settlement of unlitigated Americans with Disabilities Act (ADA) Claims of Sharon J. Dawson and Stanley Pauer in the amount of \$37,500, and 98-0276 regarding the settlement of unlitigated ADA claims of Mary Lou Breslin and Curtis S. Cone in the amount of \$65,000 at the closed session of October 27, 1998.

\* \* \*

#### E. SPECIAL ITEM:

1. Election of Officers

No. 98-0278



Commissioner Strunsky nominated Commissioners Berman and Mazzola for President and Vice President respectively. The nominations were seconded by Commissioner Crayton. The vote was unanimous.

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito recommended inviting Maravic Bamba, Director of the Human Rights Commission, to hear her concerns regarding the diversity report.

Mr. John Martin, Airport Director said that he would make the arrangements. He is scheduled to address the Human Rights Commission in December regarding the Airport's contracting, construction employment and Airport Commission employment.

Commissioner Strunsky said that Commissioners received a copy of a letter sent by Senator Feinstein regarding BART progress and the plan to end their service in Millbrae. He believed it important to emphasize the need to proceed with the BART program as planned and to make all appropriate points regarding the ramifications of altering the plan and that it might kill the BART to the Airport project.

Mr. Martin said that he would make sure that word gets out. Staff has made a lot of phone calls regarding this issue.

Commissioner Strunsky said that Senator Feinstein's letter was to the point and should receive as much recognition as possible.

Commissioner Crayton referred to a letter the Commission received from Human Rights the Commission Chair, Mr. Marshall. She did not believe that the problem would be solved by just meeting with Marivic Bamba. A meeting should be held between the Director and President of our Commission, Mr. Marshall and Ms. Bamba, as well as Mr. Pritchard from the NAACP so that the Airport can stipulate what we have done to ameliorate the situation and explain our goals. She would then like to have a diversity conference so that the facts are accurately told.

Mr. Martin said that he would invite Mr. Marshall and Mr. Pritchard to attend the Commission meeting as well.

Commissioner Crayton also asked that Supervisor Amos Brown be invited.

Commissioner Berman asked Commissioner Crayton if she had any suggestions as to what should be done.

Commissioner Crayton responded that she did. She spoke with Mr. Ball of Hensel Phelps this morning and she would like to suggest a diversity forum for Airport contractors. This will give us the opportunity to talk about all of the ways we have looked at and tried to get employment for various communities, our statistics and what we are doing about diversity.



Commissioner Ito supported Commissioner Crayton's comments. She recommended that any communication that transpires between the Airport and the Human Rights Commission be forwarded to them. A hearing was conducted by Supervisor Amos Brown and there seemed to be a lapse in the information from that meeting to the communication from the HRC.

The Airport Commission should be apprised of the progress.

Mr. Martin said that he will make sure that that information is forwarded. He is meeting with Supervisor Brown this morning to make sure that he understands the statistics and that we exceed the general labor availability in San Francisco for African American Airport Commission employees, as well as construction workers and construction contracting.

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

 Modification No. 8 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley, A Joint Venture - \$19,458,164

No. 98-0279

Resolution approving Modification No. 8 to Contract No. 5500E, International Terminal General Construction, with Tutor-Saliba/Perini/Buckley, A Joint Venture, in the amount of \$19,458,164, for work related to the BART Link Building, transferred scope, Airline revisions, design changes to facilitate construction, unanticipated conditions, and change impact mitigation. Funding sources are BART, transfers from other Master Plan budgets, construction contingency, and Management Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification is a compilation of negotiated changes comprising scope transfers, changes triggered by the additions of the BART Link Building, the Airline-initiated revisions, design drawing coordination issues facilitating construction, unanticipated conditions and change impact mitigation.

As detailed in the agenda item, the funding sources are the Airport's \$200 million contribution to BART's SFO extension (\$10 million), transfers from other contracts (\$1 million), contract contingency (\$4.1 million), and Management Reserve (\$4.3 million).

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board. The costs have been included in the budget forecasts presented to the Commission previously in our quarterly reports for 1998. This Commission action formalizes those forecasted changes.

Commissioner Strunsky asked if there is anything else that can change significantly, since our last quarterly report?



Mr. Kardos responded that there is nothing of any magnitude. We are performing a detailed analysis of potential items that may have fallen through the gaps and are not covered in any contracts. These items would be below \$4 million.

Modification No. 1 to Contract No. 5500J - International Terminal, North Connector Package - Dillingham Construction Company - \$1,501,238

98-0280

Resolution approving Modification No. 1 to

Resolution approving Modification No. 1 to Contract No. 5500J, International Terminal, North Connector Package, with Dillingham Construction Company, in the amount of \$1,501,238, for work required to mitigate the effect of unforeseen obstruction, design changes, and weather impacts. Funding sources are construction contingency and Management Reserve.

Mr. Kardos explained that this modification, similar to the previous agenda item, is a compilation of negotiated changes reflecting contract growth triggered by unforeseen conditions, such as contaminated material and unknown underground utilities, and design changes, such as utility modifications, and bid quantity adjustments, to facilitate construction.

As shown in the agenda item, the primary funding source is contract contingency (\$960 million) augmented by funding from management reserve (\$540 million).

The changes have been reviewed and approved by the Master Plan Technical Advisory Board. The cost associated with this modification has been included in the cost forecasts presented previously in the quarterly reports for 1998. This Commission action formalizes the forecasted changes.

Commissioner Crayton noticed that the funding was being taken from two different sources and asked if there was a formula.

Mr. Kardos responded that normally funds would be taken from contract contingency. However, this project was probably impacted the most by El Nino and the contingency budget was diminished, necessitating the use of Management Reserve funds.

Commissioner Strunsky asked if we were looking at the last significant issue in this contract, or, is there something else that could come up?

Mr. Kardos responded that in our forecast we have roughly another \$3 million included for further change orders that have not yet been finalized.

4. <u>Authorization for the Sale of Airport Revenue Bonds, Issue 22 - Not-to-exceed \$125 million</u>

No, 98-0281

Resolution authorizing the sale of Airport Revenue Bonds, Issue 22, and delegating authority to the Airport Director within certain parameters



## established by the Commission.

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that this item seeks the Commission's approval for the sale of Issue 22 Revenue Bonds in an amount not to exceed \$125 million.

To date, the Airport has issued \$2.12 billion in near term Master Plan bonds, and \$815 million for infrastructure projects, at an average true interest cost of 5.69%.

The last sale, Issue 21, in October 1998 yielded a true interest cost of 4.67%.

This issue will be the last in 1998. There will be several issues in 1999 that will complete the near term Master Plan financing program.

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 and 6 and 8 through 15 were adopted unanimously. Item No. 7 was removed from the calendar.

5. Award of Contract No. 3062E - Taxiway Q Realignment betweenTaxiways S and U Pavex Construction Company - \$1,898,060

No. 98-0282

Resolution awarding Contract 3062E, Taxiway Q Realignment between Taxiways S and U to Pavex Construction Company, the apparent lowest responsive, responsible bidder, in the amount of \$1,898,060.

Mr. Ernie Eavis, Principal Engineer, explained that this is this second to the last phase of this project and will provide pavement from Taxiway C to the North Field. The main purpose is to get the planes around the localizers. The project has been designed to accommodate larger aircraft.

 Award of Professional Services Contract No. 3865 - Underground Utility Modeling-Study and Improvements - Olivia Chen Consultants, Inc. - \$1,327,080

No. 98-0283

Award of Professional Services Contract No. 3865, Underground Utility Modeling-Study and Improvements to Olivia Chen Consultants, Inc., in the amount of \$1,327,080.

Mr. Eavis explained that this project will allow the Airport to begin modeling all of the existing utilities systems we are building.

We asked 106 design firms for their qualifications. After reviewing proposed bids, Olivia Chen was rated as the most qualified to do the work.



This project will take our existing utilities and map them out on the GIS system, as well as provide a computer model for the industrial waste system, the water system, and a number of other utility systems.

Item No. 7 was removed from the calendar.

7. Approve (1) the Engagement of a Professional Firm to Provide Tenant Outreach,
Leasing and Management Services for the New International Food and Beverage
Program and Award the Agreement for these Services to Pacific Gateway Partnership;
and, (2) Award of Agreement to Provide Management Services to CA One Services,
Inc.

Resolutions (1) approving the engagement of a professional firm to provide tenant outreach, leasing and management services for the new International Terminal's Food and Beverage Program to Pacific Gateway Partnership; and, (2) awarding the Agreement to manage the new International Terminal Food and Beverage Program to CA One Services, Inc.

Item Nos. 8 and 9 were called together.

 Amendment to the Sixth Supplemental Bond Resolution Providing for the Issuance of up to \$165 million in Infrastructure Bonds

No. 98-0286

Mr. Rhoades explained that to date the Commission has authorized \$1.051 billion in infrastructure bonds. Also to date, \$815 million of that amount has been sold.

Item No. 8 seeks approval to sell up to \$165 million in additional infrastructure bonds. That sale will likely occur in March, 1999. The sale of those bonds will cover a number of projects, including the International Terminal concession program, the North International Garage, the North Terminal renovation program, and the Aviation Archive project.

9. Supplemental Appropriation of up to \$165 million in Infrastructure Bonds

No. 98-0287

Mr. Rhoades said that a supplemental appropriation is typically sought at the time the sale is approved so that we are able to use the money for construction purposes after the sale of the bonds.

10. Revisions to the Airport's Rules and Regulations Regarding Ground Transportation



### **Operations**

No. 98-0288

Resolution adopting revisions to various sections of Appendix B of the Airport's Rules and Regulations pertaining to Waybills by Charter, Pre-Arranged Transit and Limousine Operators.

Mr. Martin explained that this is a follow up to the previous public hearing held six weeks ago. Meetings have been held with the operators. Everyone is on board and understands that this is really a routine change to the Rules and Regulations.

## 11. <u>Limited Funding Agreement with the San Francisco Foreign Flag Carriers Corporation</u> - \$3,500,000

No. 98-0289

Resolution approving a Limited Funding Agreement providing up to \$3,500,000 for the San Francisco Foreign Flag Carriers Corporation to form a new corporation and to acquire, manage, service, and operate certain equipment in the new International Terminal Complex.

Mr. Rhoades explained that the Airport will purchase and install all equipment, such as baggage systems, boarding bridges, FIDS, and other aviation-related equipment in the new International Terminal.

Historically, the airlines have installed this type of equipment. In this scenario, with a common-use terminal, staff feels that this is the best way to handle the program, with the airlines managing the equipment.

The airlines will form a subsidiary corporation, the San Francisco Foreign Flag Carriers Corporation. They will manage our Airport-owned equipment, much the same as the SFO Fuel, Inc. arrangement.

In order for them to form this Corporation and purchase what they need to support this management effort, we have agreed that we will advance them, with the Commission's approval, approximately \$3.5 million. The airline community, through their rates and charges fees, will repay that loan over a ten year period at the true interest cost associated with the interest of the day.

Commissioner Crayton asked if this new Board will have any tie-in to the Commission.

Mr. Martin responded no. This is modeled after a similar Corporation for the existing International Terminal.

Commissioner Strunsky asked if this is a for profit corporation.

Mr. Rhoades responded that it is not.

Commissioner Strunsky asked why we are only charging the rate of interest we pay.



We pay a very special interest rate based on our structure and status. Isn't there an advantage that the airlines are getting.

Mr. Martin responded that unlike the rental cars, where the City can realize something from the mark-up on the interest rate, there is no advantage to the City and Airport to charging a higher interest to the airlines. Under our rates and charges formula, it would just roll through to a savings on the other side on their landing fees and terminal rental. There is no benefit for the Airport Commission or City to realize.

Commissioner Mazzola asked if \$1.3 million is a normal fee to set up a corporlation?

Mr. Rhoades responded that the airlines will have a fair amount of equipment to purchase for the corporation.

12. <u>Modification No. 1 to Professional Services Contract Harris Miller & Hanson Inc. to Provide Expert Analysis in Aircraft Engine Maintenance Run-up - \$62,130</u>

No. 98-0290

Ms. Wanda Williams, Deputy Director, Bureau of Planning and Environmental Affairs explained that this item extends the contract to provide expert noise analysis.

13. Modification No. 6 to Airline Liaison Office (ALO) Agreement - Airport and Aviation Professionals - \$160,500

No. 98-0291

Resolution approving Modification No. 6 to the Airline Liaison Office Agreement to provide additional compensation of \$160,500 for FY 1998/99.

Mr. Rhoades explained that Airport and Aviation Professionals, Inc. has served as our Airline Liaison Office since 1994. The ALO was established at that time to provide airline liaison consultant services during the near term Master Plan.

This was set up primarily because most airlines no longer have the staffing that we would have required to interact on the oversight of the construction drawings.

Over the last several years we have had outside consultant services to assist us with the development of the concession program for the new International Terminal. One of those consultants, Greg Watkins, had recently joined Airport and Aviation Professionals, Inc. Mr Watkins has been working with us over the past several years to develop our program. In order to maintain continuity in finalizing the program, which we anticipate will be completed in 2000, we would like to continue to retain his services and therefore, we would like to add those services to the ALO contract.

 Authorization to Conduct a Pre-Proposal Conference - Turn-Key Public Communications Concession



No. 09-0292

Resolution authorizing staff to conduct a preproposal conference for turn-key communications concession for the existing terminals and the new International Terminal.

Mr. Rhoades explained that we have historically had separate contracts for our long distance telephone services, our pay phone services, our internet access, our phone card sales and debit card devices and a variety of other telecommunications products. Our two main contracts will end in March 1999 ... our pay phone contract with Pacific Bell and the long distance default service with AT&T.

We propose to bundle all of our telecommunications products under one master agreement. From a financial point of view our research indicates that the contract is worth much more to a specific provider. It also allows us to continue to have a minority subleasing program that we currently have in place.

This item authorizes staff to hold a pre-proposal conference.

Commissioner Strusky suggested that the telephone cards include international calls.

Mr. Rhoades said that he will take care of that.

### 15. Proposed Addition to the 1998 Airport Capital Plan

No. 98-0293

Resolution approving addition of future project of hard surface flooring in the new International Terminal to the Airport Capital Plan, estimated to be \$9,000,000.

Mr. Martin explained that the original program for the new International Terminal provided for a hard surface flooring in the Customs area. As a value engineering savings, the surface was changed to carpet.

Mr. Martin said that it was an error on his part. He had made a commitment to Customs several years before that he would retain the hard surface flooring. He did not catch the fact that the surface was changed to carpet.

In the meantime, it has become a problem to switch back to the hard surface flooring because of the timing. Going back to hard surface would risk a delay in the International Terminal opening.

He said that additional money was spent to insure that we can install terrazzo at a later date. The resolution before the Commission authorizes a \$9 million project to install terrazzo in fiscal year 2003/04 in the FIS area.

Ms. Alice Rigdon, Port Director of U.S. Customs in San Francisco, said that she supports the idea of a hard surface floor, but she would like the Commission to reconsider the timing of it.



There are extreme problems with carpeting in the Federal area. The carpet rips from luggage carts and mold is a problem. The Airport also has a problem with rats. The rats carry fleas, and the carpet is infested with fleas.

The decision to move to carpeting considered financial and esthetic needs, but did not take into consideration the operational needs of the FIS.

She has a letter from Mr. Martin dated two years ago promising Customs a hard surface floor. To try and change the flooring three and a half years down the road on four and a half acres with three or four million people moving through Customs is not a functional idea.

Ms. Rigdon asked the Commission to reconsider the timing of the hard surface floor.

Commissioner Berman did not believe that this would be a matter of great controversy. At this point, we are past the point of no return.

Mr. Martin said that he appreciates the concerns expressed by Customs. Looking at the International Terminal lobby, the 45 year old marble floor is in excellent condition. Hard surface is more economical and wears better over a long period of time.

He regrets the mistake that was made and apologized to Ms. Rigdon and to Customs.

Ms. Rigdon said that she was in Los Angeles when the Tom Bradley Terminal opened. That carpet was ordered removed by OSHA. The Bradley Terminal had sunlight. This area will have no sunlight.

Commissioner Ito asked what the specific delay would be.

Mr. Kardos responded that the terrazzo floor is very non-forgiving from the point of view of installation. It requires a very accurate leveling of the underlying support deck. Commissioner Strunsky asked if we have looked into upgrading the carpet to provide a more durable, more cleanable and mold resistant surface.

Mr. Kardos responded that the carpet to be installed is top of the line.

Commissioner Crayton assumed that we will be much more aggressive in our maintenance. She asked what the spills are from?

Ms. Rigdon said that passengers carry alcohol through, items provided by family members, perfume, etc.

Ms. Rigdon disagreed with the argument that since the new Customs area will not be at ground level, some of these problems will not exist. They recently found a 15 pound ferral cat that dropped through the ceiling.

The baggage comes from the ground level and will be brought up to Customs.

Mr. Martin said that this area is particularly bad because there is a sub-basement under the existing Customs area and it is very damp. We plan to change the worst



areas of carpet before next summer.

Mr. Mazzola asked if there is any other type of hard surface, other than terrazzo, that can be substituted.

Mr. Kardos responded that any hard surface will require leveling.

Commissioner Strunsky thought that staff was being fair. If the problem recurs before 2003/04, staff will return to the Commission with a request to move up the timetable. The Director's proposal deserves a try.

Commissioner Crayton apologized to Customs. She asked if we have anything in place to insure that this does not happen again?

Mr. Kardos responded that we are approaching the end of the program.

Commissioner Crayton suggested that we might want to have an on-sight maintenance person to attend to spills and the like immediately.

. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item nos. 16 through 22 were adopted unanimously.

16. <u>Modification No. 1 to Contract No. 5750.4 - Testing and Inspection Services for the North Cargo Facility/Apron - Applied Materials & Engineering, Inc. - \$250,000</u>

No. 98-0294

Resolution authorizing approval of Modification No. 1 to Professional Services Contract No. 5750.4 with Applied Materials & Engineering, Inc. in the amount of \$250,000. Modification No. 1 will increase the contract funds to cover testing and inspection services through the completion of the North Cargo Facility/Apron construction. The funding source for this modification is the contract contingency budget.

17. <u>Modification No. 2 to Contract No. 5706 - AirTrain Domestic Terminal Stations</u>

<u>Professional Services Agreement - Kwan Henmi Architecture and Planning - \$75,000</u>

No. 98-0295

Resolution approving an increase to basic professional services fees in the amount of \$75,000 to provide full architectural and engineering services for additional scope of work items for the AirTrain Domestic Terminal Stations. Funds are available in the existing project budget. There will be no change to the Master Plan Baseline Budget.



 Contract No. 5500E - International Terminal General Construction - Retain Carpet as the Floor Covering in the New International Terminal Baggage Claim Hall - No Change in Cost

No. 98-0296

Resolution directing the Airport Director to retain carpet as the floor covering in the new International Terminal baggage claim hall and to provide for a future change to a hard surface floor.

 Modification No. 19 to Professional Legal Services Agreement with Morrison and Foerster - \$500,000

No. 98-0297

Resolution approving Modification No. 19 to Professional Legal Services Agreement (Noise/Environmental Contract) with Morrison and Foerster to increase compensation by the amount of \$500,000; all other terms and conditions of the agreement to remain in full force and effect.

20. <u>Modification No. 19 to Professional Legal Services Agreement with Hanson, Bridgett,</u> et al - \$150,000

No. 98-0298

Resolution approving Modification No. 19 to Professional Legal Services Agreement with Hanson, Bridgett to increase compensation in the amount of \$150,000; all other terms and conditions of the agreement to remain in full force and effect.

21. <u>Modification No. 6 to Professional Legal Services Agreement with Ruiz & Sperow</u> \$150,000

No. 98-0299

Resolution approving Modification No. 6 to Professional Legal Services Agreement between Ruiz & Sperow to increase compensation by the amount of \$150,000; all other terms and conditions of the contract to remain in full force and effect.

22. <u>Bid Call - Contract No. 3577 - Drainage Pump Stations - Supervisory Control and Data Acquisition (SCADA)</u>

No. 98-0300

Resolution approving the scope, budget and schedule for Contract No. 3577, Supervisory Control and Data Acquisition (SCADA) and authorizing the Director to call for bids when ready.

\* \* \*



### J. PUBLIC HEARING:

The public hearig was convened at 9:55 AM and adjourned at 9:59 AM, there being no comments from the public.

23. <u>Hearing on Proposed Amendments and Additions to the Airport's Rules and Regulations</u>

Resolution approving amendments to the proposed Airport's Rules and Regulations to bring regulations up-to-date, clarify existing language and reflect changes to the government regulations to which the Airport must conform.

Mr. Edwin Leung, Assistant Deputy Director, Landside Operations explained that this item simply brings the regulations up-to-date by clarifying existing language and reflecting changes to government regulations.

Commissioner Strunsky asked for an off-calendar summary of the changes.

### K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

## L. CORRESPONDENCE:

There was no discussion by the Commission.

## M. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The closed session was convened at 10:00 AM.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a)(1) to confer with legal counsel regarding the settlement of unlitigated claims of Kerry Robishaw in the amount of \$175,000 and Susan Wiginton in the amount of



\$250,000 subject to final approval by the City and County of San Francisco Board of Supervisors; and, Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled the City and County of San Francisco vs ARCO.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its meeting at 10:45 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

N. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:46 AM.

Jean Caramatti Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



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MINUTES

December 1, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## **COMMISSIONERS**

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128

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## Airport Commission Meeting Minutes December 1, 1998

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	1.	Construction Management Services for Master Plan Program in 1999: Mod. No. 6 - SFO Associates	98-0306	
		Mod. No. 6 - SFO Associates  Mod. No. 4 - Lehrer MdGovern Bovis/F.E. Jo		
		Cabellon Assoc.	98-0307	
		Mod. No. 4 - MorseDiesel/Arcost/Cornerstor Concilium/Lee Trenchard Mod. No. 4 - PGH Wong Engineering/Luster	98-0308	
		Construction Mgt.  Mod. No. 4 - Turner Construction/The Allen	98-0309	
		Group/CPM Services Mod. No. 3 - Holmes & Narver/Arcost CPM	98-0310	
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		Mod. No. 4 - Brown & Caldwell/Beyaz & Pat	el 98-0313	
		Mod. No. 5 - AGS/Luster Construction Mgt.	98-0314	
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		Mod. No. 2 - O'Brien-Kreitzberg, Inc.	98-0316	
		Mod. No. 3 - Don Todd Associates, Inc.	98-0317	4-6
	2.	Award Professional Services Contract 5606.1 Architecture/Engineering Professional Service the Police Main Facility, Police Substation and Permit Bureau Relocation - Corlett, Skaer & D Architects, Inc./Joseph Chow and Associates,	s for Airport eVoto	
		Marie Fisher Design, A Joint Venture	98-0318	6-7
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	3.	Authorization to Retain Firm to Provide Tenan		

Outreach, Leasing and Management Services for the New International Terminal's Food & Beverage Program, and Award Agreement for these Services

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		to Pacific Gateway Partnership	98-0319	7-12
	4.	Revised Qualifications/Proposal/Bid Requirements Lease Specifications and Authorization to Receive Qualifications/Proposals/Bids - New International Terminal Museum Store Lease		12-13
	5.	Authorization to Issue a Request for Proposals - Airport Curbside Management Program	98-0321	13-15
	6.	Reimburse United Airlines for Continuing Design a Preconstruction Items Related to Boarding Area F Hub and Thumb Expansion Project		15-16
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRA MATTERS:	ATIVE	
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	11.	Modification to Contract with The Corporation of F Arts Museums, San Francisco	ine 98-0327	17
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	13.	Bid Call - Contract 4034 - Solid Waste Compactor Improvements and Waste Management	98-0329	18
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	15.	Bid Call - Contract 4055 - As-needed General Construction	98-0331	18
H.		NEW BUSINESS:		18
I.		CORRESPONDENCE:		19

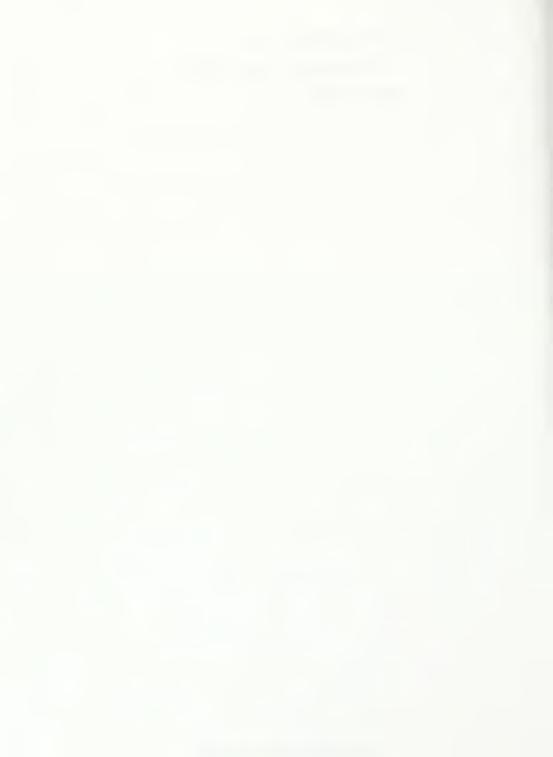


J.	CLOSED SESSION:		
	Pending Litigation:	CCSF vs ARCO	1

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ADJOURNMENT:

K.



## Airport Commission Meeting Minutes December 1, 1998

### ORDER OF BUSINESS

### CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

ROLL CALL: B.

Present

Hon. Henry E. Berman, President

Hon. Michael S. Strunsky Hon. Linda S. Crayton

Hon. Caryl Ito

Hon. Larry Mazzola, Vice President

ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution No. 98-0300 regarding settlement of unlitigated claims of Kerry Robishaw and Susan Wiginton in the amount of \$175,000 and \$250,000 respectively at the closed session of November 17, 1998.

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito commended the Director on his hour long interview on BAY-TV. He presented the facts and the future of the runway issue very well.

F ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 and 2 were adopted unanimously.

Construction Management Services for Master Plan Program in 1999 1.

> No. 98-0306 thru

No. 98-0317

Resolution approving thirteen (13) Modifications to Professional Services Contracts for Construction Management of th Airport Master Plan Program. Resolutions also approve annual funding for 13 Construction Management Consultants totaling \$45.860,000.



Mod. No.	Consultant	Funding
No. 6	SFO Associates (Parsons/AGS/EPC/BDI, J.V)	\$15,130,000
No. 4	Lehrer McGovern Bovis/F.E. Jordan/Cabellon Assoc.	1,550,000
No. 4	Morse Diesel/Arcost/Cornerstone Concilium/Lee Trenchard	2,100,000
No. 4	PGH Wong Engineering/Luster Construction Mgt.	7,000,000
No. 4	Turner Construction/The Allen Group/CPM Services	3,800,000
No. 3	Holmes & Narver/Arcost CPM Group/F.E. Jordan	5,000,000
No. 4	Day & Zimmerman/Cabellon/Mendoza Associates	3,480,000
No. 4	Brown & Caldwell/Beyaz & Patel	1,280,000
No. 5	AGS/Luster Construction Management	500,000
No. 4	Luster Construction Management/GKO	4,900,000
No. 2	O'Brien-Kreitzberg, Inc.	280,000
No. 3	Don Todd Associates, Inc.	840,000

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that construction activity under the Master Plan Program is proceeding rapidly and will continue to intensify in 1999. The management team consisting of Airport staff members and outside professionals from construction management firms was established in May 1995 when the Commission awarded a series of construction management contracts to be funded on an annual basis. This calendar item seeks the Commission's approval to fund the contracts to the end of 1999. The modification of the twelve existing construction management contracts for the coming year is summarized in the information before the Commission. The total funding requested for 1999 is \$45,860,000. This amount compares with \$38,760,000 for 1998.

The proposed funding for 1999 as well as the forecast at completion is within the baseline budget and has been reported to the Commission on a quarterly basis.

The overall MBE/WBE participation at the prime level for the above twelve contracts is approximately 52%. All consultants meet or exceed the City's goals for MBE/WBE subconsultant participation of 17% and 3% respectively.

Commissioner Berman noted that these dollar amounts were approximate.

Mr. Kardos responded that they are.

Commissioner Strunsky said that these consultants are critical. It is their expertise that they are selling to the Airport for a significant amount of money that helps assure that we will complete this project on time and within budget. He assumed that this application for funding means that these consultants, on whom we rely for information, are all in agreement that the last quarterly report submitted to the Commission represents the accurate budget and financial projections thorugh the completion of the project, and physical construction scheduling and completion through completion of the project.

He did not want to hear that anyone of these consultants later say that staff was warned that we were over schedule and budget.

He wanted assurance that these consultants are in agreement with the information presented to the Commission.



Mr. Kardos responded that the consultants are not only in agreement, but all reports submitted to the Commission on a quarterly basis are based on the data provided by the CMs.

Commissioner Strunsky asked Mr. Kardos if he is happy with their performance, staffing and their expertise.

Mr. Kardos responded that he is.

Commissioner Strunsky asked Mr. Kardos if there any "oops" looming in the future,

Mr. Kardos responded we are trying to identify any minor items that we may have overlooked. There will probably several items, probably below \$4 million. That is the only major item that we see. He said that it would not be right to tell the Commission that there will be no major upset.

Commissioner Strunsky said that the Commission is not looking for that. It is looking for vigilence, competence and expertise.

Commissioner Crayton said that she is very happy with the breadth of minority consultants in this group and the significant amount of this money being allocated to them.

She asked if we are looking at any new construction management firms that we may not have worked with before.

Mr. Kardos said that the construction management teams are in place for this program. However, if new expertise is required as an addition to the existing teams, we will explore that.

Mr. Martin added that we have new projects coming up between 2000 and 2005. Mr. Jason Yuen is preparing an updated list of architects and construction management firms for the short list.

Commissioner Ito asked how these increases are spread out among the firms.

Mr. Kardos responded that each year each construction management firm is asked for a manpower schedule through the end of the program. From that total program we block out the particular year. The amount associated with the activity of the individual teams is related to the particular scope that the team have to perform.

2. Award of Professional Services Contract No. 5606.1 - Architecture/Engineering Professional Services for the Police Main Facility, Police Substation and Airport Permit Bureau Relocation - Corlett, Skaer & DeVoto Architects, Inc/Joseph Chow and Associates, Inc/Marie Fisher Design, A Joint Association - \$635,550

Resolution awarding Contract 5606.1,



Architecture/Engineering Professional Services for Police Main Facility, Police Substation and Airport Bureau Relocation to Corlett, Skaer & DeVoto Architects, Inc./Joseph Chow and Assoc., Inc./Marie Fisher Design, A J.V. Association, in the amount of \$591,200, plus an allowance of \$44,350 for additional services, for a total amount of \$635,550 to be funded by a combination of Master Plan and Capital Improvement Projects funds.

Commissioner Berman understoon that this is a 100% M/WBE.

Mr. Kardos said that it is 85% M/WBE. The Corlett firm is not MBE.

The total M/WBE participation at the prime and subcontracting level is 55%.

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 3 through 6 were adopted unanimously.

The following is a verbatim transcript of Item No. 3.

3. Authorization to Retain a Professional Firm to Provide Tenant Outreach and Leasing and Management Services for the New International Terminal's Food and Beverage Program, and Award of the Agreement for these Services to Pacific Gateway Partnership

No. 98-0319

BOB RHOADES: As currently structured, we envisioned that the Food and Beverage Program in the new International Terminal that we would let out one master lease with subleasing requirements. Under that structure, we do not believe, based on the level of interest that we have had in this program, that we may achieve our goals.

At a recent past Commission meeting we came before you for approval to get qualifications from firms that would be capable of conducting outreach programs, doing leasing, and then overseeing the design and construction management. This would all be done under the auspices of the Airport.

We went out for a Request for Qualifications and we received interest from seven different firms. Staff reviewed the submissions and the top four firms were selected for interviews with a panel of Airport staff and outside consultants.

The four firms were rated. Subsequently, the top two firms were checked for references.



Pacific Gateway Partnership was the number one firm, and CA One was the number two firm.

We are recommending that Phase I and Phase II of this program, that is conducting the outreach, selecting the food and beverage tenants, as well as the oversight of the design and construction of the Food and Beverage Program would go to Pacific Gateway.

Pacific Gateway is a partnership between Marketplace Development out of Boston, who have done a lot of work at airports, and, Reinega, which is a local developer in San Francisco. They also have a local architectural firm to do this work.

COMMISSIONER BERMAN: In addition to doing this work, they are in charge of the outreach for leasing and management services. Are we covered with the conditions for MBE and WBE in their search? Will they be doing business with union operators?

MR. RHOADES: Yes, Commissioner. What we'll be doing, if you approve award of this agreement to Pacific Gateway Partnership, at the next Commission meeting we will come back to you with our recommendation for the actual process, including the various specifications for the contract, as well as our goal for M/WBE participation.

COMMISSIONER ITO: I have some specific questions about Pacific Gateway and their representation. Do they have women and minorities within that collaboration?

MR. RHOADES: The architectural firm is an MBE. That I do know. I would have to check with them within the organization of the WBE participation.

COMMISSIONER STRUNSKY: The way this contract will be structured ... will it allow for the Airport to make a fair termination of this agreement if the performance of this organization is not up to our standards and requirements?

MR. MARTIN: Probably in the on-going management and oversight of the food and beverage operations, we haven't finalized the terms. We will return to the Commission for that part of the contract. It will probably be a one or two year contract with an annual renewal provision. It would be very easy for the Commission to terminate the contract if they are not performing.

COMMISSIONER STRUNSKY: What happens in the first stage if the firm is not successful in bring a spectrum of potential operators to the table?

MR. MARTIN: Normally, we have a 30 to 60 day cancellation clause.

MR. RHOADES: It will have a cancellation clause.

COMMISSIONER STRUNSKY: It's a fair cancellation?



MR. RHOADES: Yes. Based on the refenences and my personal conversations with other airports who have engaged this firm, I am very confident that they will be very successful in San Francisco.

COMMISSIONER BERMAN: Is there any such thing as a performance bond in these kinds of contractural arrangements?

MR. MARTIN: Not that I'm aware of.

COMMISSIONER BERMAN: It's not unheard of, is it?

MR. MARTIN: We can look into it. I'm not aware of it in this type of work.

COMMISSIONER CRAYTON: I just want to make sure what you said ... this particular firm has a proven track record. Is that what you said? At what other airports?

MR. RHOADES: Ostensibly at Philadelphia International Airport. They've also done work at LaGuardia, and they have a presence at Massport.

MR. MARTIN: And the other joint venture partner, Reninga, which is a San Francisco real estate shopping mall development firm, has developed Lakeshore Plaza and quite a few others around the country.

MR. RHOADES: They did the Town Center in Corte Madera.

COMMISSIONER CRAYTON: Also, one of the other questions that was alluded to ... they will be bringing back a plan that will talk about the subcontracts they will be doing, and then you will be bringing back the information about what the participation will be for M/WBE, etc.

MR. RHOADES: The next step, and it will start today if you approve this, we will sit down with them and we will start to develop the programming for how we are going to have them go out and get the proposals with a focus on San Francisco, with a mix of other operators who have airport experience. We are looking for, obviously, is a street diversity in this approach with a focus on San Francisco. We will bring that back to you at the next meeting.

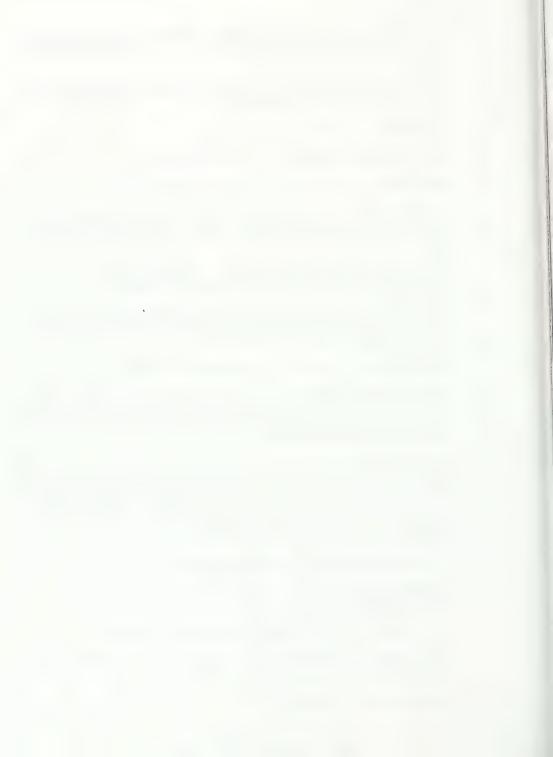
COMMISSIONER BERMAN: Any other questions?

COMMISSIONER STRUNSKY: You say this firm worked on LaGuardia. I just recently happen to be in there.

MR. RHOADES: I'm not sure which terminal it was. I have the ...

COMMISSIONER STRUNSKY: I was in a central food court facility. It was very well run.

MR. RHOADES: That's the one.



COMMISSIONER BERMAN: There are some people in the audience that want to be heard.

COMMISSIONER CRAYTON: Are there representatives of Pacific Gateway here today?

MR. MARTIN: No.

COMMISSIONER BERMAN: There are people in the audience who have requested to be heard on this matter. Number one would be Shelley Kessler of the San Mateo Central Labor Council. Good morning. I think I preempted you when asked if we had assurances that this would all be run by unions.

MS. SHELLEY KESSLER: We really do appreciate the opportunity to address you this morning. And the fact that you are aware of the union aspect of this is really comforting.

Right now there is union representations for all the food services in the terminals at San Francisco International Airport and there has been good labor peace and harmonious relations in the food service aspect of the Airport operations for years. We are very proud of that in the labor community.

I also represent the Airport Labor Coalition that has the unions of the Airport under an umbrella organization as well.

We are speaking in favor of Pacific Gateway getting the contract because I have had multiple conversations with its CEO, Bob Weinberg, asking him some of the same questions you are asking today about their experience, background, their relationship with workers, both union and non-union alike. I've actually done some investigation with other union entities where this company has been in place. The one thing that they said without fail is that he is a man of his word and that even though there are times when there may be disagreement, it was not necessarily antagonistic and there was time to work things out.

That was very appropriate to us in the labor community that there is an open door policy. Mr. Weinberg is open to having good relations at the Airport. I'm feeling pretty confident, having spoken with him, that he wants to maintain good relationships with the labor community.

We understand that it's difficult at the Airport. It's a 24-hour environment, 365 days a year. To have quality, competent, reliable, accessible food for a diverse community is hard enough, but also to be able to compensate workers who provide that service with equitable wages and benefits, as well as a dignified and respectable working condition is also important. These are people that are serving the public and you want them to feel good about the job they're doing as well. So, in talking to Mr. Weinberg, who actually holds those ideals as well, and I feel confident in his ability to help us develop a good relationship.

I thank you very much for the time, and I hope that you will approve this contract.



COMMISSIONER BERMAN. There are two more. Shelley may have asked the questions that Harry Young and Kim Jackson wanted to ask. They are certainly free to come up and make their own presentation.

MP HARRY YOUNG I would ke to discuss the subject matter. Would echo the sentiments of the recommendation that Shelley made. We also are here to recommend Pacific Gateway to the first two phases of this. If also had spoke with Mr. Weinberg and have been given their assurance that they will follow a policies set by the Commissioners in respect to helping us to maintain the union-friendly relationship we've had for many years.

Our local union represents between 700-800 food and beverage concession workers in the three terminals at the San Francisco Airport that operate currently and we represent approximately 1 400 or 1 500 in-flight catering workers that prepare the food and beverage for the aircraft on the Airport.

It's taken us 30 years to build these relationships and the contracts that the workers now enjoy and we would like to because of the cooperation we've had with this body and the great relationship we've had with Host Marriott over the years, we'd like to be able to maintain a level playing field for Host Marriott, the inflight cateriers that exist because they're all covered under the same collective bargaining agreements.

Again, we've been able to accomplish this without one labor dispute over the last 30 years. We're happy that that exists. Our goal is to ensure that the union-friendly management abor relationship that we now have with the Airport and its affiliates continue.

Thank you, very much.

COMMISSIONER BERMAN: And it seems as though that is being accomplished. Peace and harmony ... it's wonderful.

MR. YOUNG: We're very thankful and happy with what we've heard, Mr. Chairman, and hope that things proceed in this direction.

COMMISSIONER BERMAN: Thank you. Kim Jackson. Do you want a voice?

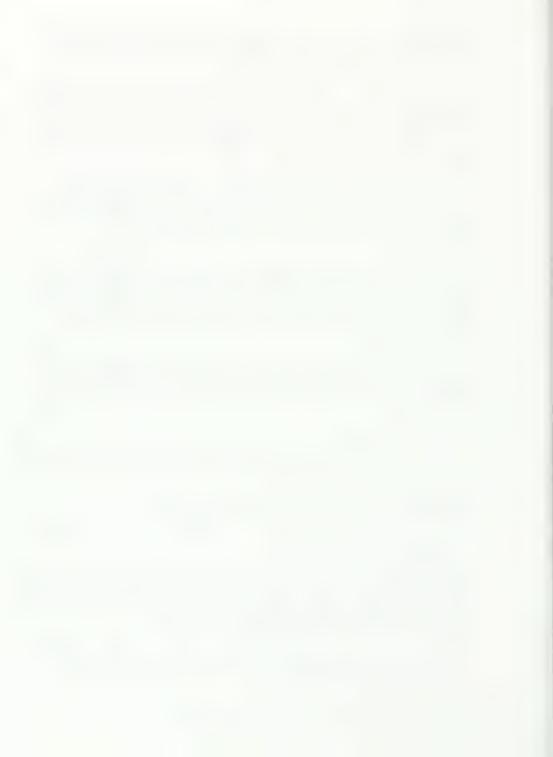
KIM JACKSON: Commissioners. My name is Kim Jackson and I'm with the Hotel Employees Restaurant Employees International Union. We are working with Local 340 and the San Mateo Central Labor Council in order to maintain the level playing field and the standard of the living wage and benefits that exist for those workers that is so important to the stability of your facility.

I will keep it short by echoing their sentiments. We look forward to working with your staff to develop policies that will continue the harmony that has existed.

Thank you, very much.

COMMISSIONER BERMAN: Well. it looks like there's unanimity in the type of

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operation and cooperation that Papino Gateway intends to utilize with management and the unions

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COMMISSIONER DRAYTON Lagree with those comments. I have a question mough

San Francisco si Board of Supervisors is now gradoling with a task force dealing with a living wage ordinance and they are outring together bedge from various carts of the City to handle that. My concern is now will that effect whatever they dome up in terms of that iving wage il whether it sists an now obtains will all have some effection the wages of workers at the Airport and what the union also is outring together. So we need to watch that with this particular piece.

MR\_MARTIN — We will to ow that and keep the Commission apprised. I should inform the Commission of a court decision in the early \$0s in which the court ruled that the City cannot set a higher innimum wage for a nines or a nine service providers. So the airlness and a nine service providers, which tend to be the employers that have more employees at the low end of the wage scale, are specifically excluded.

4 Revised Qualifications Proposal Sid Requirements and Lease Specifications and Authorization to Receive Qualifications Proposals Sids - New International Museum Store Lease

No service

Resolution approving the revised qualifications of spoke and requirements and lease specifications and learnering staff to receive qualifications of spokes, bids for the New International Terminal Museum Store Lease

Mr. Rhoades explained that by Resolution 98-0073 the Commission approved the final specifications of the Museum Store for the new international Terminal. This is a very unique opportunity and is the hist of its kind for the Airport. San Francisco Museums were talgeted specifically.

Museums are non-profit organizations and are structured in a different way from a normal letaile:

Subsequent to the accidital of the hiral specifications, we had a number of some sations, with musel, more some land we believe that the to lowing revised specifications would make a much better opportunity to the blog am

Staff is requesting according to require the minimum bid from \$175,000 to \$150,000. The percentage rent would be a straight 10% or gross receipts, and the August will broke allest geod from balt of the improvements.



Commissioner Berman noted that a number of people in the community who are involved in this non-profit effort are interceding to make sure that everything goes smoothly. It is nice to see them involved in this project.

Commissioner Strunsky agreed with Commissioner Berman and believed this to be a "class act."

Commissioner Ito supported the idea as well. She hoped that local art and museums would be supported.

## Authorization to Issue a Request for Proposals - Airport Curbside Management Program

No. 98-0321

Resolution authorizing the issuance of Request for Proposals to staff and manage the Airport's Curbside Management Program.

Ms. Alice Sgourakis explained that staff continues to look at ways to improve customer service and to encourage the use of high occupancy vehicles. As part of that effort, a consultant recently undertook a study of ground transportation issues and identified potential solutions.

One solution identified was the implementation of a curbside management program. The program would encompass door-to-door vans, taxis, limousines and scheduled bus operations. The program would enhance the Airport presence at the curb, which should help to eleviate solicitation and ensure that the Airport's Rules and Regulations are followed. The program would also introduce the services provided to disabled and elderly passengers and create a better operating environment for the ground transportation operators as a whole.

Meetings were held with each of the ground transportation industires effected, as well as the two unions that represent taxi dispatchers and the door-to-door curb coordinators.

Based on input from these meetings, staff recommends proceeding with the first phase of the curbside management program. This phase will consist of a customer service element and a dispatching and coordination element.

The service element calls for unified curbside representatives that would answer questions of passengers, help them select a ground transportation provider that meets their needs, monitor scheduling and vehicle rotation, make sure that limo pick-ups are on a pre-arranged basis, make sure that vehicles in loading zones were actively loading, and, provide staff with on-going observations and reports on ground transportation operations in general.

The second element of this phase would include dispatching and coordination. This service is currently provided to the taxis by AMPCO employees represented by AFL-CIO Local #3. For the door-to-door operations, the majority of this service is provided by Teamsters Local #665. The remainder of door-to-door services is



provided by an independent company.

The successful proposer will be required to interview the existing employees to determine if they are qualified to participate in this new curbside management program.

In later phases, ticket sales and computerized dispatching systems might be implemented as part of the program.

The new program will be fully self-supporting through trip fees. An initial preliminary annual budget estimate was done which encompasses all phases, including the ticketing and computerized dispatching system. The estimated cost is between \$3.6 and \$4 million annually to run this program. This will essentially double the trip fees for these operators. So, due to the cost and complexity of implementing the full program, staff proposes that we implement the first phase only, which includes the customer service and dispatching coordination elements. This would reduce the initial cost by 25% to 30%, with a proportionate reduction in trip fees.

RFPs would be on a competitive basis from qualified firms who would provide a high quality, unbiased service. Firms currently providing ground transportation services at the Airport would be precluded from being the prime contractor, however, they could subcontract as part of the team to provide specific aspects of the program.

The contract would have an M/WBE goal of 30%.

Commissioner Berman asked how many curbside organizations would be available for this type of a management contract?

Ms. Sgourakis responded that she has had interest from several firms operating at other airports. Some of the current operators are interested in subcontracting. We have also had interest from firms that provide the customer service element.

Commissioner Berman asked if a pre-bid conference will be held.

Ms. Sgourakis responded that a pre-bid conference will be held.

Commissioner Crayton asked why a firm currently providing ground transportation service at the Airport would be precluded from this opportunity?

Ms. Sgourakis responded that one of the things that arose from meetings with the ground transportation operators is that an Airport presence is important. An objective, unbiased presence that oversees the entire program is critical.

Commissioner Ito appreciated that the plan is to have the service self supporting at the cost of increasing fees, however, some mitigation may be achieved by other cost reductions. What is the impact?

Ms. Sgourakis said that currently the taxi dispatching system is self funded. The



door-to-door operators currently fund their own system as well. They will not be as directly impacted as the limos and scheduled operators whose costs will be increased.

Mr. Martin added that while there will be increases for the ground transportation operators, the increases for persons using private vehicles has been much higher. Parking fees have nearly doubled over the last three years. Relatively speaking, the shared ride alternatives are becoming less expensive.

Ms. Sgourakis added that the cost is passed on to the passenger.

Commissioner Strunsky asked if this would result in zone changes?

Ms. Sgourakis said that this will operate within the existing zone structure.

Commissioner Crayton asked if these employees will be easily identified?

Ms. Sgourakis responded that they will be.

6. Reimbursement to United Airlines for Continuing Design and Preconstruction

Items Related to the Boarding Area F Hub and Thumb Expansion Project 
\$2,005,000

No. 98-0322

Resolution authorizing reimbursement not-toexceed \$2,005,000 for completion of design and performance of preconstruction requirements related to the Boarding Area F Hub and Thumb Expansion Project.

Mr. Jackson Wong, Chief Operating Officer explained that on June 23, 1998, by Resolution No. 98-0153 the Commission authorized a project to be designed and constructed by United Airlines on behalf of the Airport. That project involved the increase of concession and airline operating space in the North Terminal.

This item authorizes the first reimbursement to United in an amount not-to-exceed \$900,000 for design development, \$1.265 million for design work and construction drawings, and \$740,000 for pre-construction costs consisting of site surveys, indicator pile installation and utilities relocation.

Rojas and Associates, an MBE selected from the short list, is the design consultant. HRC was involved in the selection process.

Airport staff will oversee and manage this project. No construction contract will be bid until the design is completed. The design and budget will be brought to the Commission for approval.

Commissioner Strunsky understood that this work is very sensitive with respect to United's operations.



Mr. Wong responded that that is correct.

Commissioner Strunsky noted that the construction that appears to be an extension of United's Red Carpet Room looks as if it will significantly block the light and ambience in our exhibit area. He wondered if it might be possible to install skylights in that area.

Mr. Wong said that he would investigate the possibility.

Commissioner Ito noted that the square footage for concessions and restrooms is 4700 sq. ft. She asked what the concession breakdown would be, as well as the projected revenue?

Mr. Rhoades said that he would submit the concession revenue projections to the Commission, as well as United's anticipated additional rent.

## G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 7 through 15 were adopted unanimously.

7. Modification No. 3 to Contract No. 5712 to Provide Additional Geotechnical Engineering Services for the AirTrain System Projects - Geomatrix Consultants, Inc. - \$17,600

No. 98-0323

Resolution approving an increase to basic professional services fees in the amount of \$17,600 to Geomatrix Consultants, Inc. to provide additional geotechnical engineering services for the AirTrain System Projects. Funds are available in the existing project budget. There will be no change to the Master Plan Baseline budget.

8. Rental Credit to Dollar Rent A Car for Extra Work at the Interim Plot 3 Facility - \$200,798

No. 98-0324

Resolution approving \$200,798 in rental credit to Dollar Rent A Car Systems, Inc. for additional work directed by the Airport during construction of the Interim Car Rental Facility at Plot 3. Funding source for this item will be the Airport's Capital Improvement budget with no impact on the Master Plan Baseline Budget.

9. <u>Authorization to Solicit Proposals for Letter of Credit Provider(s) in Connection</u> with the Commercial Paper Program



No. 98-0325

Commissioner Strunsky asked what 12B referred to in the contract.

Mr. Martin responded that 12B was the Domestic Partners Ordinance.

## Proposed EMT-Paramedic Service Agreements with San Mateo County and American Medical Response West, Inc.

No. 98-0326

Resolution approving the agreements with San Mateo County and American Medical Response West, a California Corporation, to designate the City and County of San Francisco as EMT-Paramedics service provider at the Airport.

Commissioner Strunsky asked if the minority and women participation was adequate.

Ms. Theresa Lee, Deputy Director, Administration responded that she was not aware of the figures. She explained that since San Francisco International Airport is located within the jurisdiction of San Mateo County, the Airport's EMT services falls within that jurisdiction. San Mateo County recently changed its first response system to American West.

Mr. Martin said that staff will follow up and inform the Commission.

# 11. <u>Modification to Contract with The Corporation of Fine Arts Museums, San Francisco - \$154,500</u>

No. 98-0327

Resolution approving modification to Contract with the Corporation of Fine Arts Museums, San Francisco for technical assistance for San Francisco Airport Museums for civic exhibitions based on the history of San Francisco. \$154,500.

# 12. <u>Award of Professional Services Contract to Provide an Inventory of the Treasure Island Museum - Art Bytes - \$75,000</u>

No. 98-0328

Resolution approving a Professional Services Contract with Art Bytes to provide an inventory of the Treasure Island Museum to be attached to the Deed of Gift prior to signing by the Airport Director and the United States Navy. \$75,000

Commissioner Ito asked if the Treasure Island pieces were being gifted to the



Airport.

Mr. Martin responded that they are being gifted by the Navy to the Airport.

# 13. <u>Bid Call - Contract No. 4034 - Solid Waste Compactor Improvements and Waste Management</u>

No. 98-0329

Resolution approving the scope, budget and schedule and authorizing Director to call for bids for Contract No. 4034, Solid Waste Compactor Improvements and Waste Management.

#### 14. Bid Call - Contract No. 4069 - Information Kiosks

No. 98-0330

Resolution approving the scope, budget and schedule for Contract 4069, Information Kiosks, and authorizing Director to call for bids when ready.

### 15. Bid Call - Contract No. 4055 - As-needed General Construction

No. 98-0331

Resolution approving the scope, budget and schedule and authorizing the Director to call for bids for Contract 4055, As-needed General Construction, when ready.

Commissioner Crayton asked to what this item referred.

Mr. Ernie Eavis, Acting Deputy Director, Facilities Operations and Maintenance responded this this item will provide for an on-call contractor for unforeseen construction items that cannot be handled by staff.

Commissioner Crayton asked how much this contract will run.

Mr. Eavis responded that the contract amount will be for about \$500,000, however, the units of work will probably range from \$10,000 to \$30,000.

# H NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests to speak from the public.



#### I. CORRESPONDENCE:

There was no discussion by the Commission.

#### J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The Commission recessed its meeting at 9:59 AM and went into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled the City and County of San Francisco vs ARCO.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its meeting at 10:19 AM and determined that it was not in the public interest to disclose the nature of the closed session. The vote not to disclose was unanimous.

### K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:20 AM.

Jean Caramatti
Commission Secretary



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MINUTES

December 15, 1998 9:00 A.M.

ROOM 428, WAR MEMORIAL BUILDING
401 VAN NESS AVENUE
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

# **COMMISSIONERS**

HENRY E. BERMAN
President
LARRY MAZZOLA
Vice President
MICHAEL S. STRUNSKY
LINDA S. CRAYTON
CARYL ITO

JOHN L. MARTIN
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128



# Airport Commission Meeting Minutes December 15, 1998

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# Airport Commission Meeting Minutes December 15, 1998

## ORDER OF BUSINESS

#### A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 AM in Room 428, War Memorial Building, 401 Van Ness Avenue, San Francisco, CA.

B. ROLL CALL:

Present Hon. Henry E. Berman, President

Hon. Larry Mazzola, Vice President

Hon. Linda S. Crayton

Hon. Caryl Ito

Absent:

Hon. Michael S. Strunsky

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 17, 1998 were adopted unanimously.

No. 98-0333

\* \*

## D. DIRECTOR'S REPORTS:

Ethnic and Gender Diversity in Contracting and Employment

Mr. John Martin, Airport Director, said that this is very similar to the report he presented several months ago. This report was also presented in detail to the Human Rights Commission last week.

Human Rights Commission President Comer Marshall and HRC Director Vickie Bamba are present. Mr. Matt Mason of the NAACP is expected.

We have been very successful in Airport staff diversity. Sixty percent of the Airport Commission staff are minorities. This is up from 54% three years ago. Employment of women is up 6%, from 33% to 38%.

Mr. Martin used a chart showing the San Francisco labor market and the percent of the labor market by ethnicity and the comparison to the Airport Commission workforce.



The San Francisco African American workforce is 8%, compared to the Commission's 11%. The San Francisco Hispanic workforce is 13% compared with 11% for Commission employees. We need to do better in this area. The City's Asian workforce is 26%, compared with 27% of the Commission workforce. Eleven percent of the Asian workforce is of Filipino descent.

These percentages are close to the same for management positions as well.

For construction employment we are slightly above availability for African American construction workers, significantly below for Asian American workers, and, above for Hispanic.

Only 12% of the construction workforce reside in San Francisco. This a low percentage, but reflects the fact that generally almost all construction workers are working. Under union rules, workers are hired off the union roles by county.

About 30% of all contract dollars went to minority and women businesses in the last year.

At the prime contract level, \$16 million out of \$106 million went to minority and women businesses. This reflects the lack of availability of any minority and women construction contractors who are bidding on projects in excess of \$25 million. However, we have done very well at the subcontractor level, achieving a 25% minority/woman participation, or \$119 million in work. African American contractors received \$50 million. Hispanic firms received \$46 million.

In professional services, about 50% of our \$250 million in contracts awarded to date for architectural/engineering construction management services went to minority and women businesses. In the last year \$26.7 million went to minority and women at the prime level and \$9.6 million was awarded at the subcontractor level. Overall, about 60%, including subcontracting dollars, went to minority and women businesses for professional services.

In non-Master Plan construction contracts totaling \$33 million, about 80% of those dollars went to minority and women businesses.

For non-Master Plan contracts totaling \$32 million, about 10% went to minority and women businesses. The biggest contracts in this area are for parking garage operations, which is about \$11.5 million a year. That has a very low level of minority and women subcontracting. The Shuttle Bus contract also has a very low level of minority and women participation. That is about a \$5 million contract.

In order to increase participation in these areas the Commission is today being asked to approve a set aside for a new parking structure that will be bid as a separate contract to achieve increased minority participation in garage operations. We are looking at doing the same thing on shuttle bus operations as well.

This is similar to what we have done in retail and food and beverage in breaking up contract opportunities in order to encourage minority and women participation.



Some of the other programs mentioned to the Human Rights Commission were the Surety Bonding Program, which has been very successful at the Airport and has now been transferred to the Human Rights Commission for administration of the program.

The Employment Development Program has also been very successful. We have had about 80 apprentices and interns working at the Airport. In particular, we are bringing in a lot of apprentices to the crafts area. We are also bringing minorities and women into areas where they typically have not had a high level of participation in the past.

In the Employment Program, we are working with the unions and with community based organizations to recruit San Francisco residents for jobs with Airport tenants. We have one centralized office to which all tenants are providing job information. There are 34,000 employees at the Airport and at any given time we have anywhere from 400 to 800 vacancies. At least 200 employees have been hired for our tenants through various outreach opportunities through our Employment Program. About 60% of those employees are San Francisco residents.

This is also a great opportunity for individuals who have been out of the job market for a long time. We are working with community based organizations to get those individuals job ready.

Commissioner Ito thanked the Director for updating the Commission. We are moving in the right direction. Some of the tracking should be refined. She is interested in seeing more specific data on women of color, not just on the women category.

We may also need to look at some of the more specific dollars being paid out because of the concerns of some subcontractors.

Although we are very close to meeting many of these goals, and we have exceeded some of them, the intent should not be to simply meet the goals.

Commissioner Crayton thanked the Director for the report. She also attended the HRC meeting last week. She was concerned about issues relating to African American labor availability. She asked if the data is based on information used by the San Mateo Labor Council and other unions.

There were a lot of construction contracts in City Hall and perhaps since the project has ended, those individuals would seek employment at the Airport. She understood that we are working with community based organizatios to increase employment. Perhaps we need to utilize the minority newspapers to assist us in increasing minority employment in the trades, or hold job fairs.

We need to look at our larger contractors who are able to get the prime contracts and look at the subcontracts so that we can affirmatively state that there are no kickbacks going on. We don't operate like that.

Commissioner Crayton said that since she has been on the Commission she can honestly say that the Airport has made an effort to hire minority workers. We have



awarded contracts even though they have come back and slapped us in the face. She is concerned about the fact the HRC and the Airport are not working together effectively. She recommeded sitting down and communicating so that our figures are in sync. She does not want to go to another HRC meeting and have it conducted as if it were a clown act.

Mr. Martin explained that the employment statistics, labor availability is based on the U.S. Census data, the Bureau of Labor Statistics. We are above labor availability for both Commission employment and construction employment for the African American community. However, we recognize that the Bayview, in particular, has an unemployment rate of 13%. It is a great source of new hiring. Many of our tenants recognize this as well.

We have held a dozen job fairs where we have work with organizations like the Young Community Developers in the Bayview. Two weeks ago we had one of these sessions where two employers hired seven employees.

We are hearing from employers that they would like to see more potential employees attend these fairs. They have been disappointed at the response.

We want to continue to work with these community organizations. Chinese For Affirmative Action has really come through in making referrals that have resulted in hirings.

Commissioner Ito commented that she has also received feedback that we are having difficulty filling our workforce here because there are so many jobs in the community. She would like to know what kinds of sensitivity and diversity training there is to make the culture of the workforce more welcoming. She has been concerned that some of the trade people, particularly women and minorities, are feeling threatened and unwelcome. If there was an opportunity to work at City Hall, they took that job instead. She said that she recently spoke with a woman owned painting firm and was told that they had done work at the Airport, but were discouraged from coming back because of the very strong experiences they had.

Mr. Martin said that he recognizes the need to work with the many employers at the Airport to make sure they have their own diversity programs in place. It is a mini City, with a daily population of 185,000 people. We also need to determine if we should be monitoring the employers on their diversity training programs.

Commissioner Berman does not want the public to get the impression that there is no communication between Commissioners and the Administration except at meetings. That is not the case.

Supervisor Amos Brown said that we have not yet reached equity and parity. The Airport cannot be the cure for all of society's ills. He added that the unemployment rate in the Bayview is more like 17% or 18%, not 13%.

Sixty-five percent of home ownership by African Americans in San Francisco is in the Bayview. The area is plagued by unemployment, drive-by shootings, and poor health conditions.



The Bayview is in close proximity to the Airport, so more effort should be made at providing more jobs. He sees African American skycaps, but not many in concessions. He sees a few van drivers.

Finally, we need to lay to rest the allegations that prime contractors put African American subcontractors through hoops to receive payment.

Ms. Vickie Bamba, Director, Human Rights Commission said that she was asked by Director John Martin to attend this meetig to hear the Commission's concerns and to convey to the Commission that the Airport and the HRC are working together to address these issues.

We need to work collaboratively to address issues in the construction industry. Yesterday she spent a couple of hours looking at a finding regarding the sexual harrassment of a woman on a project. She continues to be shocked that woman are still subject to that kind of treatment. It is more indicative of the construction industry than any one department.

The HRC is in the process of auditing Airport contractors, in particular Tutor-Saliba. If there is a joint effort to insure a response to our inquiries, it would be more effective than having the HRC asking contractors for this information.

With respect to the report that has been transmitted to the Commission, it is a very labor intensive process.

At a recent meeting with Mr. Martin, it was decided that an independent audit will be conducted to review the statistics. Further, a more detailed review of construction contracts will be useful to her and the statistician to generate availability statistics.

So far, what the Airport staff has produced is very useful and labor intensive. However, an auditor is needed to look through the records and insure the accuracy of the reports that are generated thereafter.

With regard to diversity training, she agrees with Mr. Martin that a joint effort is needed to sensitize contractors to the issues affecting minorities and women. She hopes that by the next meeting she and Mr. Martin can have a report to the Commission as to what needs to be done to insure that these issues are addressed.

The PUC is consistent with Commissioner Ito's idea of maximizing participation of minority and women businesses. They have asked the HRC staff and their own staff to try to exceed the goals to insure that they have covered all of the opportunities available to minorities and women in the contracting area.

HRC Commission President Comer Marshall has expressed similar concerns and has directed her to address these issues.

Mr. Comer Marshall said that he spoke with Mr. Martin, and Commissioners Crayton and Ito after last weeks HRC meeting and there was agreement that the two departments had to work together. Issues need to be identified and addressed.



Mr. Martin appreciated the time that Supervisor Brown, Commissioner Marshall and Ms. Bamba took to attend this meeting. We need to keep the dialogue going, a commitment to carry through, and an accountability on the program that we jointly want to see undertaken.

With the kind of growth the Airport is experiencing, there are great opportunities for advancement toward achieving parity and equity. We need to continue to work together with the HRC on these efforts.

Commissioner Crayton wanted to make clear that in the awarding of contracts, it is the HRC that makes the determination that a contractor meets the minority hiring goals. As we try to do the very best that we can, it is a process and we depend on the HRC to help us attain minority participation at the Airport. We cannot just reach out there and hire someone. They have to be qualified and we await HRC's determination that they meet the requirements.

#### E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton said that when we send out requests for proposals, hearings or meetings for potential contract opportunities, we should make sure that our lists include names from other fields that might possibly have an opportunity to do business at the Airport. She has received some complaints in that area.

Commissioner Ito commented, with regard to the Director's Report, that we need to encourage more dialogue between the San Mateo Trades Council and the San Francisco Trades Council to see how the unions can work with the HRC and the Airport. There are opportunities for future planning for apprenticeship programs and building into the labor pool.

Mr. Martin said that there is a true willingness on the part of the San Mateo Building Trades to work with the City. There is a recognition that there is going to be a shortage of building trades workers in the coming years. Eighty employees have been referred into the San Mateo unions apprenticeship program in the last few years, but we would like to see a lot more than that.

Commissioner Berman felt that the Airport's M/WBE numbers are very satisfactory, but we are always looking to improve them. He said that what we are doing at the Airport could very well be a model for M/WBE performance, hiring and promotion for other airports and the rest of the City. He is very proud of it.

#### F. POLICY:

Item No. 2 was adopted unanimously.

2. Policy for Local DBE Bid/Rating Preference and DBE Set Aside Program for Airport



Concessions

No. 98-0334

Resolution establishing Commission Policy that, when appropriate, 1) a 5% bid/rating preference will be awarded to certified local DBEs participating in the bidding process; and, 2) a DBE Set Aside Program for Airport concessions.

Mr. Peter Nardoza, Deputy Director, Bureau of Governmental Affairs said that this item comes before the Commission after many long discussions with the Civil Rights Office of the Federal Aviation Administration.

The local M/WBE Ordinance does not cover concessions. As a result, our concession program is monitored and controlled by the FAA.

The resolution before the Commission will allow the Airport to set aside concession opportunities to DBEs from the Bay Area. Secondly, this policy will allow staff to apply the 5% bid preference to local San Francisco based DBEs when they submit bids and/or proposals for the concession program.

We believe that this policy will go a long way to increase our DBE participation.

Commissioner Berman asked if we were within our rights to impose this.

Mr. Nardoza responded that we are.

Commissioner Crayton said that this is excellent. It will assist us in getting our locals employed and to further our goals at the Airport.

## G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was adopted by a 4 to 1 vote, with Commissioner Mazzola casting the dissenting vote. Item No. 4 was put over. Item Nos. 5 through 9 were adopted unanimously.

3. <u>Criteria and Methodology for the Selection of Tenants for the Food and Beverage Program for the New International Terminal</u>

No. 98-0335

Mr. Bob Rhoades, Deputy Director for Business and Finance introduced the members of the team who will be working on this for the next 18 months. Mr. Robert Weinberg, President of Marketplace Development, John Reininga, President of Reininga Corporation, a San Francisco firm, and Victoria Deise, Project Manager.

This items provides the broad outline of the process by which we will proceed to select the food and beverage operators for the new International Terminal. It will be conducted in four phases. Phase 1 will be outreach, which will include public



meetings, both in the City and on the Peninsula, as well as the mailing of marketing and outreach brochures. Phase 2 will involve the preliminary screening of interested parties. Phase 3 will be a further screening of parties to select the best candidates. Phase 4 will be the finalization of the leases as well as a presentation of the slate of food and beverage operators to the Commission for approval.

One section was added to this package. Under the lease negotiation and selection component, the team will make site visits to the interested parties to look at their facilities and investigate whether they have complied with all applicable laws.

There have been a number of questions raised regarding this particular type of contract versus a master food and beverage lease. There are three phases to this particular process. If we were to have a master lease with a food and beverage operator, they would be charged with doing the same thing that this company is being charged with doing. We would have them provide a slate of potential sublessees for approval. We had Host do that very thing in the early 90s.

In Phase 2, the master lessee would be charged with undertaking all of the design and construction in the concession program. This company is being charged with the same responsibility.

A master lessee would typically conduct on-going management services. They would be charged with setting up a distribution system, a warehousing system, and conduct training for the food and beverage operators. We assume that new operators may not be familiar with how we conduct business at the Airport versus a downtown location.

Commissioner Ito said that since we are looking at providing greater access and diversity at the Airport, is the list provided in the information a preliminary list? She noted that the list is incomplete.

Mr. Rhoades responded that it is a preliminary list. There will be a major effort for outreach in January.

Commissioner Ito asked if media other than print will be utilized.

Mr. Rhoades responded that we may use radio.

Commissioner Berman asked if the Commission will be kept briefed on the progress, and will this come before the Commission for final approval?

Mr. Rhoades responded that it will.

Commissioner Mazzola said that Local 21 has initiated an inquiry into whether this will take away duties from employees they represent ... specifically Classifications 9206, 9607 and 9255. He asked if this matter has been settled.

Mr. Rhoades responded that there is a meeting on Wednesday morning with a representative of Local 21.



This is a professional services contract. This contract includes work that is typically done by a master lessee. It is not the type of work that a Property Manager (9606), Senior Property Manager (9607) or Economic Planner (9255) would do.

Commissioner Mazzola said that this has not yet been resolved with the union and he is uncomfortable voting on something that has a problem. He does not want to cast a vote without all of the information.

Commissioner Mazzola asked that the item be put over to the next meeting.

Mr. Martin said that the Commission has already awarded the Phase 1 and Phase 2 portions of the contract. Phase 3, the on-going management oversight of the contract, has not been awarded and award of that part of the contract is being withheld until the meeting with Local 21.

It is critical to keep this process going. Opening the food and beverage facilities in the International Terminal on a timely basis is his number 2 or 3 concern regarding the successful opening of the facility. We are already behind in the schedule. He will keep the Commission informed on the discussions with Local 21.

Commissioner Berman said that Commissioners have specific concerns about this situation. He hopes that they are not ignored.

Commissioner Crayton asked if these employees were going to be displaced.

Mr. Rhoades responded that they would not be displaced.

Commissioner Crayton said that Mr. Rhoades described these duties at a prior Commission meeting. She sees this as an umbrella structure. She agreed with Commissioner Berman. It is her understanding that these workers are not being displaced. These appear to be two separate items and issues. She does not have a problem voting on this.

Commissioner Mazzola noted that a representative of the union is present. He asked if the prevailing wage issued is being taken care of.

Mr. Rhoades responded that it is

Mr. Vitas Lewis, Representative from Local 21 said that there are two issues involved. When they first discovered the RFQ for the contract they immediately filed a grievance regarding a violation of a contract provision. That provision states that if a department has a professional service contract, or wants to contract something out, it needs to contact the union. If the union wishes to meet with the department, a meeting is called to discuss alternative plans to satisfy both the union and the department.

The request was never submitted to the union. Although it is true that the meeting will occur tomorrow at 9:00 AM, he does not want the meeting prejudiced by the Commission's action today.



The issue of displacing employees will be discussed tomorrow. There appears to be evidence that some of the tasks have been given to the consultant.

Commissioner Ito said that our last meeting was not the first discussion of this contract. It has been on the calendar for several meetings. She thought it peculiar that the union did not hear about this earlier.

Mr. Lewis responded that typically when a department wishes to contract something out, the union is faxed the necessary information. In this case, that procedure was not followed. When he was at the Airport last week he was asked by one of the members if he knew anything about this contract. When he checked into the matter, he found that he had not received anything by fax.

Mr. Martin introduced Adrienne Go of the City Attorney's Office to respond to the City's requirements for notification, and the misinformation on the personal services contract.

Ms. Go responded that this contract was sent long ago to the Civil Service Commission on a preview basis. When the outline of the engagement of the professional services contract was decided, it went back to the Civil Service Commission.

Mr. Martin said that Civil Service is the body that reviews and approves these contracts.

Mr. Lewis said that the department never sent the union a copy. When confronted with the issue, the Airport's Personnel Director indicated that this particular contract did not affect the 9206, 9207 or 9255 classifications. It was the decision of the Airport that the union did not need to be notified.

Mr. Martin commented that Local 21 receives copies of the Civil Service Commission calendars. The work was reviewed by our Human Resources staff to determine if the work falls within the duties of existing City classifications.

We cannot afford a one month delay on this contract. We must move forward. The discussions with Local 21 will be conducted in good faith.

The contract has already been awarded and approved by the Civil Service Commission. Nevertheless, we will have the meetings with Local 21. We must move forward if we are to have food and beverage facilities in the International Terminal.

Mr. Harry Young, Local 340, said that he wants to proceed on the assumption that everything will be worked out with Local 21.

He thanked the Commission for its cooperation. He commended Mr. Martin, Mara Rosales, Carl Bunch and Bob Rhoades for their willingness to meet with them and to keep the lines of communication open with Pacific Gateway. They look forward to continued good communication with Airport staff and to working with Pacific Gateway.



Commissioner Mazzola appreciated the fact that the staff worked with the Hotel and Restaurant union, however. Local 21 feels that they have a grievance because they were not notified. They need to be dealt with. He asked once again if this item could be put over until Local 21s meeting with staff has occurred and they are satisfied that the work being contracted out does not belong to employees they represent.

Mr. Martin respected Commissioner Mazzola's views but maintained that the Local 21 issue pertains to the contract awarded at the previous Commission meeting Local 21 is not saying that the Airport should not have private companies operating the food and beverage facilities.

We will review with them the question pertaining to the contractor. Pacific Gateway.

Item No. 4 was put over.

- 4 Approval of the Initial Setting of the Transportation Fee AT \$5.00 Per Transaction for the Consolidated Bus System at the SFO Rental Car Center
- 5 Award of New International Terminal Newsstands Lease CalStar Retail, Inc. Minimum Annual Guarantee: \$709.601

No. 98-0337

Resolution awarding the New International Terminal Newsstands Lease to CalStar Retail, Inc., and directing the Commission Secretary to seek approval from the Board of Supervisors.

Mr. Rhoades said that this is a 1.737 sq. ft. retail space. Six bids were received on November 19, 1998. The minimum bid was \$230,000. The high bidder was CalStar Retail, Inc., a WBE, in the amount of \$709,601.

6 Award of New International Terminal Golf Shop Lease - Golf on the Avenue, Inc.
Minimum Annual Guarantee. \$225,000

No. 98-0338

Mr. Rhoades explained that one bid was received on November 19, 1998 from Golf on the Avenue in the amount of \$225,000. They are a full service golf retail store located in San Mateo County. They have been operating since 1994.

Commissioner Berman asked if they submitted a financial statement.

Mr. Rhoades responded that a Dunn and Bradstreet has been run on them.

Authorization to Conduct Pre-Bid Conference - Airport Employee Parking Facilities
Operating Agreement

No. 98-0339

Resolution authorizing staff to conduct a pre-bid



conference for the Airport Employee Parking Facilities Operating Agreement, a Disadvantaged Business Enterprise Set-aside.

Mr. Rhoades explained that in order to provide more opportunities for M/WBEs, staff recommends separating out the employee parking facility from the garage contract and bid it as a separate business enterprise.

When this package was put together, staff believed that the FAA's definition of DBE would fit this contract under that definition of concessions. We have just learned that a professional services agreement such as this does not fall under the FAA definition of DBE opportunity. However, we intend to proceed with this program using Chapter 12D. We still want to apply local preference, but under the Administrative Code, rather than under the FAA's definition. In some ways that is more advantageous because the FAA's definition includes a \$30 million ceiling. The Administrative Code's ceiling is \$5 million.

A pre-bid conference will be held in January. We hope to award this contract by April.

### 8. Award of Contract for the Development of a New Airport Identity System

No. 98-0340

Resolution awarding contract for the Development of a New Airport Identity System to Luxon-Carra in the amount of \$345,000.

Mr. Nardoza explained that this contract will develop a new identity system. The current logo has limited use. The new identity will be used on our stationery, business cards, all promotional material, various reports, etc.

Eleven companies submitted proposals. The contractor being submitted for approval has extensive experience in this arena.

Commissioner Ito asked how long this logo has been utilized.

Mr. Martin responded that it has been used for 10 or 12 years.

Commissioner Crayton asked if they were an MBE or WBE.

Mr. Nardoza responded that this firm is neither an MBE or WBE. Two firms received preferences but were not finalists.

# 9. <u>Authorization to Issue a Request for Proposals for Public Relations Services</u>

No. 98-0341

Resolution authorizing staff to issue a Request for Proposals for Public Relations Services for the Runway Reconfiguration Program.



Mr. Nardoza said that the concept of constructing a runway has substantial public interest. Staff feels very strongly that a program we propose will have a win, win, win situation. However, it is imperative that we get those facts to the public. We do not have the staff with the experience to provide the on-going detail information on a day-to-day basis that we believe we must provide to the public, community groups, business groups and the myriad government agencies that will have a direct or indirect voice in this matter.

Commissioner Mazzola asked if only certain PR firms will be invited.

Mr. Nardoza responded that we will invite all firms, but we will have certain experience requirements.

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 15 were adoped unanimously.

 Authorization to Extend Term of Issuing and Paying Agent Contract in Connection with the Commission's Commercial Paper Program

No. 98-0342

11. <u>Modification No. 1 to Contract for the Year 2000 (Y2K) Project Management, Implementation and Testing - Ciber Network Services, Inc. - \$350,000</u>

No. 98-0343

Resolution approving Modification No. 1 to contract with Ciber Network Services, Inc. In the amount of \$350,000 to provide Year 2000 (Y2K) Project management, implementation and testing of Airport owned systems.

Commissioner Ito noted that our rating has been improved. Are any other glitches being foreseen.

Ms. Theresa Lee, Deputy Director, Administration responded that she did not think so. Our intent is to have an aggressive program implementation and compliance of all systems by June 30.

Commissioner Ito asked if this also involves the tenants.

Ms. Lee responded that this includes three phases. Phase 1 inventories all lAirport Commission-operated systems. Phase 2 identifies those systems that are not Y2K compliant. Phase 3 tests systems to insure that they are compliant once appropriate software has been added.

She may return to the Commission for additional resources as we move towards implementation.



12. Modification No. 2 to Professional Servies Contract to Provide Technical

Development and Implementation Support for the Proprietary Airport Management

System - Bowman Group - \$45,000

No. 98-0344

13. <u>Modification No. 1 to the Professional Services Contract with Don Roszel as the Airport's Liaison to Peninsula Cities - \$40,000</u>

No. 98-0345

Resolution approving Modification No. 1 to the Professional Services Contract for Captain Don Roszel to continue his services as an Airport liaison to the Peninsula cities and communities concerning aircraft noise issues. \$40,000.

 Modification of Contract with the Corporation of Fine Arts Museums Conservation Laboratory - \$24,000

No. 98-0346

Resolution approving a contract modification with the Corporation of Fine Arts Museums conservation laboratory to increase compensation in the amount of \$24,000 for exhibitions and the Airport Commission's permanent collection.

15. Amendment of Off-Airport Office Lease No. 96-0242

No. 98-0347

Resolution approving Amendment to the Airport's off-Airport office Lease No. 96-0242 for the addition of two new office suites consisting of approximately 2,160 square feet for administrative office space at SeaBreeze Plaza, 111 Anza Boulevard, Burlingame, California.

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#### I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

CORRESPONDENCE:



There was no discussion by the Commission.

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#### K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Director indicated that it was not necessary to go into closed session.

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:29 AM

Jean Caramatti

Commission Secretary

